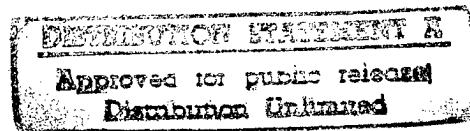


4 JUNE 1992



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# ***JPRS Report***



# **China**

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**PROVINCIAL GOVERNMENT WORK REPORTS**

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**China**  
**PROVINCIAL GOVERNMENT WORK REPORTS**

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**Hebei Government Work Report**

SK2804044992 *Shijiazhuang HEBEI RIBAO*  
in Chinese 18 Mar 92 pp 1-3

[Government Work Report given by provincial Governor Cheng Weigao at the Fifth Session of the Seventh Hebei Provincial People's Congress on 3 March]

[Text] Deputies:

On behalf of the Hebei Provincial People's Government, I will give a government work report to the fifth session of the seventh provincial people's congress for examination and discussion by deputies. Members of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] and other persons attending this session as nonvoting delegates are also asked to give opinions.

**1. A Review of Last Year's Work**

Under the correct leadership of the party Central Committee, the State Council, and the provincial party committee, the provincial government firmly focused its attention on the central task of economic construction, adhered to the four cardinal principles, persisted in reform and opening up, and formulated and implemented the 10-year program and the Eighth Five-Year Plan in the past year. As a result, fairly good achievements were scored in the development of economic construction and various social undertakings, the total supply and the total demand remained by and large balanced, and the major tasks for economic improvement and rectification were basically fulfilled. The province's GNP totaled 97.5 billion yuan (in current prices, used throughout), up 7.0 percent from the preceding year, and national income totaled 79.8 billion yuan, up 6.1 percent. The various tasks defined at the fourth session of the seventh provincial people's congress were by and large fulfilled, and the economic situation as a whole continued to develop in a good way.

A fairly good harvest was won in agricultural production, and the rural economy was further developed. Despite the numerous natural disasters, we still reaped a good harvest in agriculture thanks to the fairly effective measures for combating the disasters and for "making up for the lean summer harvest with a good autumn harvest." Grain output totaled 22.687 million tons, remaining basically the same as in the preceding year and registering the second highest output in the history of the province; cotton output totaled 634,000 tons, up 11.1 percent from the preceding year, thus putting an end to the many years of the stagnant and declining situation; and the output of oil-bearing crops totaled 729,000 tons, showing a slight decrease from the preceding year. The output value of township enterprises totaled 72.8 billion yuan, up 20.3 percent from the preceding year. In particular, the development of the collective enterprises at the township and village levels was accelerated.

Industrial production grew steadily, and economic efficiency began to pick up. Despite the many difficulties in industrial production, Hebei's industrial production, especially the production and management of large and medium-sized enterprises, gradually achieved a turn for the better thanks to a series of effective measures; the in-depth activities for the "quality, variety, and efficiency year"; the great efforts to improve the production and management environment for large and medium-sized enterprises; and the in-depth supporting reforms within enterprises. The annual industrial output value totaled 133.03 billion yuan, up 13.5 percent from the preceding year. Of the total, the output value of the industrial enterprises at and above the township level came to 93.46 billion yuan, up 12.2 percent; and that of large and medium-sized enterprises rose by 12.4 percent. While industrial production grew steadily, economic efficiency also began to pick up. Local budgetary industrial enterprises registered an increase of 18.6, 11, and 14.5 percent respectively in their income from sales, the profits and taxes they created, and the profits and taxes they turned over to higher authorities. The increase rates of most economic indexes were higher than the national average.

Investment in fixed assets increased fairly rapidly, and key projects were carried out fairly successfully. The investment in fixed assets made by the entire society totaled 24.11 billion yuan, up 36.0 percent from the preceding year. Of the total, the investment made by state units stood at 12.82 billion yuan, up 15.6 percent. Five large and medium-sized capital construction projects, seven single-item projects, and seven technical transformation projects in which investment exceeded the stipulated norms were completed and commissioned.

Revenues increased, and the monetary situation was fairly good. The annual budget was fulfilled with the amount of revenues reaching 9.07 billion yuan, up 11.7 percent from the preceding year. In terms of comparable standards, it showed an increase of 7.1 percent from the preceding year, and a balance between revenues and expenditures was by and large achieved. The monetary situation was fairly good. Monetary departments played an important role in supporting production, construction, and circulation. The year-end balance of the savings deposits of banks and other monetary organizations totaled 93.93 billion yuan, and the year-end balance of their loans totaled 97.89 billion yuan, up 24.3 and 18.8 percent, respectively, from the figures calculated at the beginning of the year. Market sales gradually rose and goods prices were comparatively stable. The total volume of retail sales of commodities reached 43.44 billion yuan, an increase of 14.1 percent. Along with the basic alleviation of the contradictions between supply and market and with the continuous efforts to control price hikes, the dwellers felt at ease about consumption. The price reform measures, mapped out in 1991, did not bring about big price fluctuation. The commodity retail sale prices rose by 2.8 percent during the year and were controlled within the state planned target.

The pace of opening to the outside world was accelerated and noticeable progress was made in using foreign capital. Under the situation of deepening the reform of the foreign trade system and of carrying out the system of assuming sole responsibility for profits or deficits, the total export value of the province's ordinary trade and enterprises involving foreign capital reached \$1.33 billion, an increase of 6.1 percent over the previous year. A total of 464 contracts on directly using foreign capital were signed, exceeding the total volume of the previous years. These contracts involved a total of \$799 million. Of this, direct investments by foreign businessmen totaled \$275 million. Simultaneously, the province also made appropriate progress in indirectly using foreign capital, contracting for overseas construction projects, sending labor forces to foreign countries, and developing tourism.

Fairly good achievements were made in science and technology and education. The province realized 1,262 major scientific and technological findings and won 2 state invention prizes, 6 state scientific and technological progress prizes, and 17 state Spark science and technology prizes. The province popularized 100 advanced scientific and technological findings and brought in and developed 230 new high-tech projects. A total of 5,160 county, township, and village scientific and technological associations were established, 77 percent of large and medium-sized enterprises established technological development organizations, and more than 6,500 small and medium-sized enterprises and town and township enterprises established technological reliance relations with institutions of higher learning and scientific research units in and outside the province. Thus, the province noticeably gained the vitality of making science and technology serve economic construction. Stable headway was made in education, moral education was further strengthened, and the educational quality was further improved. The proportion of primary school graduates entering middle schools reached 80.2 percent. Of this, that in the urban districts of the cities under the jurisdiction of the province was 98.9 percent. The middle school education was basically popularized. The enrollment in vocational and technical schools accounted for 48.9 percent of the total enrollment in senior high schools. New achievements were made in making higher education serve local economic construction. Schools of various categories at various levels further improved their operational conditions. A total of 133 counties (districts) across the province basically had the "eight auxiliary projects" for primary and middle schools. The construction of the 60 county-level vocational education centers was in full swing. Institutions of higher learning built 96,000 square meters of houses.

Family planning was further strengthened and the population growth rate was brought under control. Leaders at various levels paid attention to the family planning work and persistently attended to both temporary activities and basic work. Greater headway was made in birth control. The natural population growth rate was reduced

by 3.8 permillage point. The construction of basic and grass-roots organizations in charge of family planning work was further strengthened. The birth control associations and organizations were continuously developed.

Cultural, public health, and sports undertakings were further developed. The literary and artistic workers of the province won 66 prizes, including 22 top awards, at national literary and artistic contests. Meanwhile, the province also won three first-grade awards at the national excellent television play contest. The mass cultural activities were enlivened. The rural areas further strengthened public health and health care work. The third-grade medical and health care networks were further perfected and developed. The province successfully organized the second national urban sports meet and sponsored the third international Wuqiao acrobatic festival of China. At the major sports events at home and abroad, last year, the province won 63 golden medals and broke two Asian records and eight national records. Mass sports activities were greatly developed. New progress was made in the work relating to press and publications, environmental protection, foreign affairs, Overseas Chinese affairs, nationality affairs, religion, relics, and archives. Income of urban and rural residents continued to increase, and their housing conditions further improved. The per-capita income of the province's urban residents available for living expenses was 1,489.3 yuan, up by 6.6 percent over 1990, and the per-capita net income of rural residents was 657.4 yuan, up by 5.7 percent. In 1991, the residences built by peasants totaled 50.34 million square meters, and those by urban residents totaled 4.55 million square meters, both showing some increase over 1990.

In line with the principle of "grasping work with two hands," governments at all levels in the province not only firmly grasped economic construction but also brought into full play the role of other items of work in supporting and promoting economic construction, resulting in further improvement of all fields of socialist spiritual civilization. Major indicators were:

Construction of socialist democracy and legal system was strengthened further. Governments at all levels persistently subjected various items of their work to the supervision by the masses, consciously subjected themselves to the legal supervision by people's congresses and to the democratic supervision by the CPPCC organizations. Governments at all levels also enthusiastically supported people's congress deputies and CPPCC members to inspect and examine the government work and made great efforts to improve the quality in handling the suggestions, criticisms, and opinions offered by people's congress deputies as well as the motions raised by CPPCC members. Before last September, the province already completed the handling of the 1,459 suggestions and motions which had been offered by the fourth session of the seventh provincial people's congress and the fourth session of the sixth provincial CPPCC committee and which had been assigned to the province by the sessions of the National People's Congress and

National CPPCC Committee for handling. In 1991, the provincial government drafted and drew up 39 local draft rules and regulations governing reform, opening up, and economic construction. To better implement the "law on administrative procedures," the province strengthened the education on doing administrative work according to law among government organs and conscientiously supervised and examined how various laws were executed among government organs. Thanks to the extensive and profound education on the legal system, with focus on the Second Five-Year Plan for law popularization, the concept of state functionaries and the masses with regard to the legal system was enhanced, and their consciousness in handling affairs according to laws was raised.

Further improvement was made in social order and economic order. In 1991, the province cracked a total of 46,000 criminal cases of various kinds, destroyed more than 3,500 criminal gangs, arrested more than 40,000 criminal offenders, and dealt stern blows to the sabotage committed by hostile forces at home and abroad and to serious criminal offenses and economic irregularities. As a result of strengthening the comprehensive efforts in maintaining public security and social order, the province effectively maintained political and social stability of the whole province.

New results were achieved in maintaining administrative honesty and cleanliness. Through conscientious implementation of the "regulations governing supervision," governments at all levels further stepped up the improvement of administrative honesty and the struggle against corruption. Supervisory departments at all levels concentrated efforts on investigating and handling a number of cases which violated law and discipline, major and appalling cases in particular. In 1991 the province investigated and punished 4,106 law and discipline violation cases, of which 426 were major and appalling ones. A total of 3,471 cadres were punished, of whom 269 were transferred to judicial organs for handling. New headway was made in profoundly conducting inspection of administrative discipline and the inspection of special cases, in correcting unhealthy trends of trades, in clearing up and consolidating grass-roots stations, and in vigorously popularizing the principle of "making work procedures and results visible to the public and accepting the supervision by the masses."

Relatively rapid progress was made in the activities of supporting the government and cherishing the people and supporting the Army and giving preferential treatment to the families of soldiers. The vast numbers of soldiers and civilians were unprecedently enthusiastic in the "double-support" activities, and such activities launched by the masses developed vigorously. The policies on giving special care to disabled servicemen and to families of revolutionary martyrs and servicemen were implemented in a relatively good way. The activity of the Army and the civilians joining hands to build spiritual civilization and to create model double-support cities and counties developed in a relatively rapid way. In

1991, six prefectures and cities were named as the "model double-support prefecture and city" by the state and the province, and 67 counties and cities [shi 1579] were named as "model double-support city and county" by prefectures and cities. These localities played an important role in promoting the building of two types of civilization throughout the province.

Deputies, such achievements in Hebei's economic work and various social undertakings scored in 1991 should be attributed to the cadres at all levels and the masses throughout the province who worked in unity and in a down-to-earth manner under the correct leadership of the party Central Committee, the State Council, and the provincial party committee and with the supervision and support of the provincial people's congress and CPPCC committee. On behalf of the provincial people's government, I extend high respect and sincere gratitude to all comrades on all fronts of the province who made efforts in and contributions to these achievements.

In the first year for implementing the Eighth Five-Year Plan, we successfully fulfilled the various stipulated tasks and made a fairly solid step forward. We should note that the entire economic situation continued to develop in a favorable direction to further enhance our confidence and determination to advance. However, we should all the more note that we still faced many difficulties and problems. Only in this way can we maintain a clear mind and high morale, continue to surmount the difficulties on the way of advancement, and push economic construction and various other aspects of work forward.

Judging from the economic construction of 1991, our conspicuous problems were as follows: Agricultural production did not increase rapidly, and the efficiency in peasants' farming declined; large and medium-sized enterprises still lacked vigor, and the efficiency of a considerable number of them was low; the upturn in economic efficiency fell behind the upturn in production rate, and the low comprehensive industrial economic efficiency had yet to be fundamentally changed; and the strained financial resources made it very difficult to achieve a balance between the revenue and the expenditure, and a rather large number of counties had difficulty in maintaining a financial balance. The aforementioned problems resulted from our work and also further exposed and epitomized some deep-seated contradictions in our economic activities. From these problems, we have seen incompatibility in four aspects of our economic construction.

A. The foundation for agriculture was weak, the comprehensive production capacity was poor, and comprehensive economic efficiency was low, which was incompatible with the need for bringing agriculture up to a new level. Agricultural conditions did improve continuously in various aspects in the past few years, and agricultural production did witness great development. Judging from the overall situation, however, our capacity for resisting natural disasters and our capacity for comprehensive

production remained rather poor. In normal years, our grain production capacity was roughly 22.5 million tons, and output fluctuated rather greatly between years of bumper harvests and lean years. According to the target of the Eighth Five-Year Plan, our grain production capacity should reach 25 million tons by 1995. To make sure that this target is attained, our actual production capacity should increase by 2.5 million tons in the next four years, which is a very arduous task. This target is impossible to fulfill at all without plenty of farmland water conservancy facilities, without the farmland which ensures stable yields despite drought or excessive rain, without sound service systems, without effective measures to disseminate science and technology, and without the corresponding development of agriculture-oriented industry. The actual income of peasants failed to increase rapidly due to the small increase in agricultural production, the rising cost of agricultural production in the past few years, the low comprehensive agricultural economic efficiency, and the limited increase in the part of the income earned by peasants from township enterprises. This affected not only peasants' accumulation of funds and investment in agriculture but also the rural purchasing power. Last year, commodity retail sales grew by 20.1 percent in urban areas but merely 10.4 percent in rural areas. The stagnant rural purchasing power adversely influenced and restricted the growth in urban industries and the coordinated development of the economy as a whole. Therefore, if the comprehensive agricultural production capacity and the comprehensive agricultural efficiency are not raised, not only will we fail to bring agriculture up to a new level, but also peasants' endeavor to achieve a fairly comfortable life will be affected, and a sustained, stable, and coordinated development of the economy will be difficult.

B. The slow structural readjustment and the slow increase in economic results were not suitable to pushing the economy into a favorable cycle. Although the province registered a fairly rapid economic growth rate, this kind of increase contained the nature of restoration due to the big decrease in the previous year. What we should pay great attention to was that the absolute value of the profits and taxes realized by the local budgetary industrial enterprises did not return to the historical peak level. Their production value profit and tax rate, sales profit and tax rate, and capital profit and tax rate were still lower than the national average levels and the provincial peak level. The local budgetary enterprises suffered serious losses. About 24 percent of these enterprises suffered losses totaling 790 million yuan. In particular, the potential deficits continued to increase and the amount of potential deficits were double the known deficits. There were many reasons for this situation, including the imperfect managerial mechanism and the generally poor enterprise management. But the unreasonable industrial structure and product mix were more prominent reasons. Viewing the industrial structure of the province, the energy resource and raw material industries were the advantages of the province. But these two industries were also key factors for restricting the

development of the economy and the increase in the economic results due to their low technological content, poor intensive processing level, and low additionally added value, and the influence of mandatory prices. Judging the product mix, we know that both the raw material industry and the processing industry had the problems of having more preliminarily processed products and less intensively processed products, more low-quality ordinary products and less new and special products of famous brands and high quality, more small batches of products and less competitive products of appropriate economic scale, more outdated products and fewer new products, and more unsalable products and less readily marketable products. The contradictions between product mix and increasingly high social demands became sharp due to the failure to promote scientific and technological progress. If we are neither determined to, nor actually, exert great efforts to make structural readjustment, it will be difficult to eliminate the situation of low economic results, to increase the overall economic results, and to change the strained financial situation.

C. The insufficient investment in fixed assets and the weak follow-up capacity were not suitable to the requirements for the stable economic increase in the Eighth Five-Year Plan period. The province's investment in fixed assets in the Seventh Five-Year Plan period was very low. The investment in fixed assets of state units was nearly 10 billion yuan lower than the national average level. Although the province did a lot of work in this regard and rapidly increased the investment in this aspect, the investment growth rate was still lower than the national average level due to the lower amount of continuing projects and new construction projects. Of the 151 large and medium-sized capital construction and technological transformation projects listed in the state and provincial Eighth Five-Year Plans, only a few had construction conditions due to the failure to make full preparations for the pre-phase projects. Thus, there was a temporary shortage of large and medium-sized projects. Some projects extended their construction periods due to the shortage of funds and the failure to allocate the planned funds for on-going projects in a timely manner or to provide the portions of funds collected from the localities themselves. This seriously affected the returns on investment. Meanwhile, small and medium-sized enterprises, county-run industrial enterprises, and town and township industrial enterprises failed to ensure necessary input due to the strain on construction funds. If we do not change this situation, the progress of readjusting the product mix and the industrial structure will be seriously affected, the reserve strength for economic development will be damaged, and the sustained and stable economic growth situation will be seriously restricted.

D. The extent and scope of opening up across the board was not large; this was incompatible with the need in our economic development for greatly expanding the domestic and the world markets and for importing a

large quantity of funds, technology, and trained personnel. Since 1990, when a conference on opening to the outside world was held in Tangshan, the province has quickened its pace in opening to the outside world. However, compared with the needs in economic development and with advanced provinces and municipalities, our extent, scope, and pace in across-the-board opening up was not large. Leading persons of some localities, departments, and units lacked a profound understanding of the important relationship between opening wider to the outside world and developing a planned commodity economy; lacked courage; and lacked a strong sense of opening up, a sense of market, and a sense of competition. They lacked information and measures for opening to the outside world and to other localities of the country and failed to unclog the channels through which to import funds, technology, and trained personnel. Although the number of contracts for economic and technological cooperation increased substantially, the scope of cooperation was rather small, the number of the projects carried out was low, and these projects were not closely coordinated with the adjustment of the structure and improvement of efficiency. The level of opening up was not high; few projects were implemented for truly transplanting high and new technology for the technical transformation of enterprises, especially large and medium-sized enterprises; and still fewer were the products that mastered, applied, and further developed the imported technology and entered the world market again. In particular, we lacked the major import projects that had a significant influence on the economy as a whole. Our foreign trade market was small, the variety of products unitary, the cost of foreign exchange earnings high, and the export increase rate lower than the national average. We lacked sufficient work in introducing investment from abroad and establishing ties at home, attracting foreign investment, and developing ties with the localities in and outside the province, and the tangible and intangible climate for opening to the outside world and to other localities of the country had yet to be improved. The efforts to realize the strategic shift in economic work, accelerate structural adjustment, and improve efficiency posed an objective requirement for us to import a large quantity of information, technology, funds, and trained personnel; for greatly using domestic and foreign funds and resources to enter the domestic and the world markets; and for learning to master two skills. If we do not enhance the sense of across-the-board opening up, expand its scope, and accelerate its pace, it will be difficult to effect the strategic shift in economic work.

In short, the "incompatibility in the four aspects" of economic construction showed that we still lagged far behind in emancipating our minds, updating our ideas, and conducting reform and opening up. We must have the courage to face up to and profoundly understand the existing contradictions and problems and transform these contradictions and solve these problems through indomitable and unremitting efforts and by emancipating our minds, deepening reform, opening wider to

the outside world, and performing work in a down-to-earth manner. Only in this way can we improve the quality of Hebei's economy as a whole and accelerate the development of economic construction and various social undertakings.

## 2. Guiding Thoughts and Major Targets for the Work of 1992

This year is an important year for implementing the Eighth Five-Year Plan, a crucial year for effecting the strategic shift in economic work, and a year for further emancipating our minds, deepening reform, and opening wider to the outside world. The general guiding thoughts for the economic and social development for 1992 are to resolutely implement the party's basic line and, persistently taking economic construction as the central task and focusing on the adjustment of the structure and improvement of efficiency, accelerate reform, open wider to the outside world, and facilitate scientific and technological progress; to strive to improve the capacity for comprehensive agricultural production and reap an overall bumper harvest in agriculture; to concentrate efforts on improving large and medium-sized state enterprises and actively develop urban and rural collective enterprises; to greatly expand the channels for circulation and actively develop the tertiary industry to notably improve economic efficiency, speed up economic growth, and increase strength for sustained economic development; and to persistently "attend to two fields of work" while achieving success in economic construction, conscientiously step up efforts to build the spiritual civilization, facilitate the development of various social undertakings, and consolidate and develop the stable and united political situation.

In line with the aforementioned guiding ideology, this year the province should attain the following objectives in economic and social development:

The gross national product should increase by 6 percent over 1991; the national income, 5 percent; and the total industrial and agricultural output value, 7 percent.

The total agricultural output value should increase by 4 percent over 1991, the gross grain output should reach 23 million tons to 23.25 million tons, the gross cotton output should be 650,000 tons, and the gross output of oil-bearing seeds should be 750,000 tons.

The total industrial output value should increase by 8 percent, the marketing rate of products should reach 98 percent or higher, the losses incurred by unprofitable enterprises should fall by 30 percent, the profit- and tax-yielding rate of funds and the profit- and tax-yielding rate of marketing should increase by 1 percentage point over 1991, the profits and taxes generated by local budgetary industrial enterprises should increase by 10 percent or more, and the per-capita labor productivity of the state-owned industrial enterprises exercising independent accounting should increase by 3 percent.

The scale of investment in the fixed assets of the whole society should be 20.35 billion yuan, up by 6.3 percent over 1991. Investment in the state-owned fixed assets of the province should be 8.69 billion yuan, up by 10.6 percent, of which, investment in capital construction should increase by 12.7 percent and that in technological transformation should increase by 11.9 percent if calculated in terms of comparable standards.

Financial revenues should total 9.62 billion yuan, up by 4.4 percent over the actual revenues of 1991. A balance between revenues and expenditures should be maintained. In 1991 the province should strive to create 2 to 4 counties each with a revenue of 80 million yuan, create 4 to 8 counties each with a revenue of 50 million yuan, and make 6 to 8 counties stop receiving state subsidies.

The total volume of retail sales of commodities should go up by 10.6 percent, and the increase margin of the total index of retail prices should be controlled below 6 percent. The export of local ordinary trade and the joint ventures involving foreign capital should be \$1.4 billion or more, with the increase margin not lower than the average national level. The province should also import 200 advanced technologies, and sign 400 contracts with regard to the joint ventures involving foreign capital.

The province should strengthen the organization and implementation of the 320 major scientific and technological projects, should achieve 100 scientific and technological achievements of the advanced domestic level, and should popularize 100 advanced and mature scientific and technological achievements. Ordinary institutions of higher learning plan to enroll 19,100 freshmen, up by 0.8 percent over 1991, and the secondary specialized schools plan to enroll 37,000 students, up by 8.2 percent.

The average wages of staff and workers should increase by about 5 percent, and the per-capita net income of peasants should increase by 4 percent.

The annual natural population growth rate should be controlled within 13.6 per thousand with great determination.

### 3. Seize the Current Favorable Opportunity to Accelerate the Pace of Reform and Opening Up, and Concentrate Energy on Boosting Economic Construction

To successfully grasp this year's economic construction, we should first unify our ideas, enhance our understanding, and profoundly understand, politically, the great significance of boosting economic construction. Under the current situation wherein the world political situation is changing rapidly, the key to winning an even greater victory in building socialism with Chinese characteristics, to effectively enhancing our strength to contend with the international hostile forces and hegemonism, and to further enhancing our ability to struggle against "peaceful evolution" lies, in the final analysis, in our endeavor to boost the economy and bolster our national strength. Therefore, we should constantly

deepen our understanding of focusing all our work on economic construction; should concentrate our energy on thinking of, grasping, and beefing up the economy with one heart and one mind; and should always pay attention to the central task of economic construction, from the high plane of solving the major social contradictions cropping up at the initial stage of socialism, from the high plane of fulfilling the basic objectives of socialism, and from the political high plane of consolidating and developing the socialist system.

The key to grasping this year's economic construction hinges on implementing a series of important instructions made by the central authorities recently, unwaveringly accelerating the pace of reform, and constantly regarding reform and opening up as the basic power in promoting economic development. We should approach from a high plane to understand the purpose and significance of reform. Revolution is to liberate productive forces; so does reform. We must rely on the basic promotion power of reform to overcome economic difficulties, eliminate deep-rooted contradictions accumulated over the past years, register an increase in economic results, growth rate, and reserve strength, and accelerate the pace of economic construction. There is no other way than this. The key to deepening reform, expanding the scale of opening up, and developing the economy hinges on further emancipating the mind. Particularly, the minds of leaders at various levels should be further emancipated and we should make our thinking suitable to the new, changing situation. The essence and nucleus of emancipating the mind is to persistently seek truth from fact. Only when we persistently seek truth from fact and proceed from reality will we be able to maintain a mental state of bravely doing pioneering work and continuing to forge ahead, be good at integrating the guidelines of the central authorities with the actual local conditions, creatively do our work, bravely engage ourselves in practice, bravely make a breakthrough, boldly explore new thinking and measures for reform and opening up, and accomplish something. Therefore, we should be braver and further accelerate the pace of reform and opening up. Through reform and opening up, we should overcome and eliminate the difficulties and contradictions in economic work and further promote the economic construction in a timely manner.

To grasp this year's economic construction, we should continue to persist in the strategy of rejuvenating Hebei with science and technology, firmly rely on science and technology and education, and pay full attention to scientific and technological progress and the improvement of laborer quality. Today, when science and technology are developing at a rapid rate and there is keen scientific and technological competition, scientific and technological progress plays a key role in promoting the development of both industry and agriculture, readjusting structures, and increasing economic results. To comprehensively upgrade the economy, to comprehensively upgrade the competitiveness, and to comprehensively increase the economic results, we must further

firmly foster the concept that science and technology are primary productive forces, intensify the all-people science and technology awareness, and realistically integrate science and technology with the economy. In developing various production and construction projects, we should really pay attention to science and technology, vigorously grasp technological development, bring in technology, conduct technological transformation, popularize technological findings, conduct technical training, greatly upgrade the scientific and technological content of economic construction, and comprehensively improve the quality of laborers.

In economic construction this year, we should resolutely and timely shift the focal point of work on making structural readjustment and increasing economic results. The economic construction, particularly industrial production, should be developed closely in line with the key link of making structural readjustment and increasing economic results. By readjusting the structures and increasing economic results, we should exert great efforts to solve some deeply-layered contradictions affecting economic development for a long period of time and make the economy embark, as soon as possible, on the orbit of a favorable cycle. We should accurately handle the relationship between readjustment and development and persistently grasp readjustment in the course of development and make development in the course of readjustment. In line with the state industrial policies and the market demands, we should firmly grasp the input to fixed assets, develop a group of new projects, conduct technological transformation among a group of old enterprises, ensure the speeding up of economic development in the course of readjusting the structures and increasing economic results, and ensure that economic results, economic growth rate, and reserve strength increase at the same speed.

Economic construction this year should be focused on the following 10 items:

A. We should actually strengthen the position of agriculture as the foundation of the national economy, and strive for a bumper harvest in all crops.

The Eighth Plenary Session of the CPC Central Committee raised the policy and measure of strengthening agriculture and rural work in a comprehensive and systematic manner. We should conscientiously implement the guidelines of the session, always put agriculture in the first place of the national economy, and try every possible means to develop agricultural production with a view to promoting the all-around development of the rural economy.

We should constantly deepen the rural reform; conscientiously implement the party's rural policies; continue to stabilize the responsibility system, with the household output-related contract system predominant; constantly perfect the dual management system of combining the household contract responsibility system with collective

management; and positively develop the socialized service system to gradually step up economic strength. With regard to the various policies concerning the rural economy set forth in the "decision" of the eighth plenary session, the province should put forward specific measures and methods in the first half of this year in line with the practical situation of the province on the basis of conducting investigation and study in order to implement the policies successfully.

We should further foster the sense of large-scale agriculture, readjust agricultural structure in a timely and appropriate manner, and ensure the all-around development of agriculture, forestry, animal husbandry, sideline production, and fishery in the course of firmly grasping the farming. In developing farming, we should continue to consider the production of grain, cotton, and oil-bearing seeds as predominant; optimize the regional farming structure on the basis of stabilizing the sown acreage; popularize intercropping and interplanting as well as space cropping in line with local circumstances; and increase the per-unit output and economic benefits in order to ensure the fulfillment of this year's quotas for such major agricultural products as grain, cotton, and oil-bearing seeds. We should vigorously develop animal husbandry, conscientiously grasp animal husbandry on the plains, positively develop animal husbandry in the mountain and upland areas, persist in simultaneously breeding domestic animals that eat grain and grass, and further attend to building livestock commodity bases. This year the total meat output should reach 1.41 million tons to 1.45 million tons and the total output of poultry and eggs should reach 610,000 tons. We should continue to launch the mass tree-planting and afforestation activities, strengthen the protection of forest resources, and make forestry better play its role as the ecological defense for agriculture and water conservancy. This year we should fulfill the task of afforesting 4.5 million mu of land. In fisheries, we should pay attention to developing coastal and outer-sea fishing in the course of developing marine and freshwater breeding in order to march towards ocean fishery. We should also strive to change more agricultural and sideline products to commodities by vigorously promoting the fine and deep processing of agricultural and sideline products.

To make agriculture embark on a new stage in a steady manner, we must consider the building of water conservancy projects a major basic industry. We should persistently fight against floods and drought simultaneously. We should positively try to bring large water conservancy projects and the final phase of the project of thoroughly harnessing Hai He in line with the state plan. We should mobilize localities and the masses to rapidly build the small and medium-sized water conservancy projects. We should accelerate the building of Taolinkou Reservoir, conscientiously do the work concerning the relocation of people, and attend to the first-phase preparatory work for the projects of diverting Chang Jiang and Huang He water to the province so that the projects will start construction and bring about benefits as early as

possible. At the same time, we should give full play to the role of existing water conservancy projects, appropriately develop the shallow fresh waters and retain ground water in order to newly add 1.24 million mu of irrigated acreage based on the existing 56.69 million mu and to improve the condition of irrigated acreage by 3.54 million mu. We should popularize, in a planned way, the technology of pipeline water transmission, impermeable channels, sprinkling and drip irrigation systems, and dry farming technology. We should harness small rivers and control water and soil erosion to improve the agricultural ecological environment.

We should continue to increase agricultural input and pay attention to comprehensive development. We should increase on a yearly basis and actually make good and flexible use of the input in agriculture, including the investment in agricultural capital construction, the agricultural aid funds from financial departments, the agricultural aid loans granted by banks, and various special funds for agriculture. We should also encourage and guide collectives and farmers to make more investment in agriculture. Regarding the comprehensive agricultural development in the plains areas along the Hai He, the ecological project in the highland areas, agricultural development with World Bank loans, and other key development projects, we should bring the managerial systems into better balance; make active efforts to collect supporting funds; persist in a high beginning level, high standards, and high efficiency; and accelerate the process of their implementation. This year, the province plans to transform 3.56 million mu of low- and medium-yielding farmland, reclaim 183,000 mu of wasteland, and strive to raise the land utilization rate.

The basic way for rural areas to achieve affluence and march toward a fairly comfortable life is to develop agriculture persistently through the application of science and technology, make overall planning for agriculture and science and technology successful, and step up establishment of systems for the dissemination of agricultural science and technology. We should select a group of ripe and applicable technologies for increasing production and map out mandatory plans, with responsibilities and criterion for rewards and punishments clearly defined, for applying the technology within a fixed time. Meanwhile, we should select a number of fine strains and high and new technology in line with specific local conditions and conscientiously apply them. We should do a better job in the coordination of administrative, agrotechnical, and agriculture-oriented departments and improve and develop the contract groups that provide "technology, policies, and materials." This year, we should continue to organize and send large numbers of agrotechnicians to the forefront of production. They should, on the one hand, disseminate technology, provide good service, and conscientiously help peasants solve specific problems and, on the other hand, conduct extensive technical training and actively train local-born peasant technicians and peasant households which master applicable agrotechnology.

We should further establish and improve the multi-layered, multiform, and multi-channel rural socialized service system. County-level economic and technological departments should transform their functions, separate their administrative functions from their technical services, and build scientific and technological service and economic service entities. We should summarize experiences in this year's work, popularize them gradually, and strive to make all county-level economic and technological departments do so in two to three years. Townships and villages throughout the province should first establish well the irrigation, seed, plant protection, and mechanized farming service systems urgently needed in agricultural production; develop the service from single-item service to multiple and comprehensive service; and provide comprehensive and coordinated service to peasants in all the process before, during, and after their production. Such service systems should be established from higher levels downward, and services should be organized from lower levels upward. This year, we should make sure that 50 percent of our townships and villages succeed in establishing the aforementioned four systems.

We should further enhance the sense of efficiency and pay attention to improvement of comprehensive agricultural economic efficiency as a very important issue. We should strengthen scientific management, tap potential, and increase the utilization of resources. We should strengthen the use, management, and development of land; intensify law enforcement concerning land; and resolutely ban unauthorized use of land and construction of houses. We should use the means of agricultural production, such as water, fertilizer, pesticides, electricity, and oil, in a scientific manner; extensively apply the measures for rational application of fertilizer, for water, electricity, and oil conservation, and for composting of crop straw; and strive to reduce the cost of farm products. We should further deepen the reform of the circulation system; open up the channels between urban and rural areas; reduce the intermediate links; improve the supplies of the means of agricultural production; lower the cost of the allocation, transportation, and sales of the means of agricultural production; continue to check arbitrary collection of fines, fares, and donations; and collect accumulation funds from peasants strictly according to state stipulations to reduce their burden.

We should conscientiously do a good job in supporting the poor and in relief work in line with the State Council general target of making steady progress in enabling people to have sufficient food and clothing and eliminate poverty in the Eighth Five-Year Plan period. Starting with improvement of conditions for production, we should apply the various aid-the-poor policies fully and successfully, manage the aid-the-poor funds well, and achieve success in developmental projects. We should continue to organize and mobilize developed areas;

pertinent provincial, prefectural, and county departments; and various circles of society to help poverty-stricken areas develop resources, commodity production, and the collective economy so as to eliminate poverty more rapidly. People of disaster-stricken areas should be mobilized to provide for and help themselves through production. Meanwhile, we should issue and use well all the relief funds and materials and never use them for other purposes. Units and individuals that misuse or embezzle relief funds and materials should be dealt with strictly and never perfunctorily.

**B. We should start with transformation of mechanism and exert great effort to improve state-owned large and medium-sized enterprises.**

The key to deepening the reform of the economic system is to transform the managerial mechanism and to be determined to push enterprises to markets. According to the guidelines of the central work conference and the reform arrangements of the State Council, we should start with the transformation of enterprise managerial mechanism; concentrate efforts on improving state-owned large and medium-sized enterprises; and make enterprises gradually become economic entities that are relatively independent, exercise self-management, assume full responsibility for profits or losses, and play a key role in building the socialist economy with Chinese characteristics.

To push enterprises to markets, this year, we should focus on catering to markets, tapping potential, and increasing economic results; make two changes (changing the situation of enterprises eating from the same big pot of the state and the situation of the staff and workers eating from the same big pot of enterprises); conduct auxiliary reform in three aspects (changing the government functions, conducting necessarily supporting reforms within enterprises, and reforming the social insurance system); deepen the enterprise system and auxiliary reform; and make increasingly more enterprises embark on the scope of exercising self-management, assuming full responsibility for profits or losses, and making self-restriction and self-development.

We should conscientiously implement the "enterprise law" and let enterprises gain the decision-making power to manage their production, purchase raw materials, fix product prices, conduct technological transformation, develop small-sized construction projects, collect funds, and circulate and reorganize the existing property. At present, we should pay particular attention to delegating to enterprises the decision-making power to the management of personnel affairs, employment, distribution, and the setup of organizations. No departments or units are allowed to withdraw or cut the decision-making power of enterprises. The series of policies and measures for enlivening large and medium-sized enterprises, worked out by the party Central Committee, the State Council, and the provincial party committee, should be firmly implemented one after another. Departments and units

must not ask enterprises to establish counterpart organizations and define the authorized size of the staff and the wage scale. According to relevant regulations, the functional government departments should streamline the procedures for examining enterprises, avoid repetition, and avoid affecting the normal production and management activities of enterprises. Enterprises have the right to refuse the examination and assessment activities without the approval of the government and subordinate departments at or above the prefectural and city level. We should continue to straighten out the phenomena of "arbitrarily collecting funds, apportioning expenses, and imposing fines" and realistically reduce the burden of enterprises. All such cases should be strictly handled.

We should strengthen the building of enterprise leading bodies. According to the requirement of the party Central Committee for further displaying party organizations' role as the political core, persisting in and perfecting the plant director responsibility system, and wholeheartedly relying on the working class, we should do a good job in installing enterprise leading bodies, particularly party and government top leaders, and strive to upgrade their political awareness and professional ability. The plant directors and secretaries with outstanding achievements and with the spirit of unity and cooperation should be vigorously commended. We can appropriately extend the service length of the major responsible persons of key enterprises with outstanding political achievements; should adopt resolute measures for readjusting those who have poor political awareness, fail to promote production and management for a long period of time, do not have the spirit of cooperation, and scramble for power and profit; and must never allow them to hold any leading posts at other places.

We should strengthen the transformation of the enterprise managerial mechanism by carrying out the encouragement and restriction mechanisms. According to the principle that "everything should go through a pilot process before implementation and then determination should be made whether it should exist or be abolished," we should select a group of enterprises with high quality, good production and management, and firmer management foundation to carry out, on a trial basis, the self-management, relaxed management, fixed-quota input and output, and shareholding systems. Most enterprises should further perfect the contract system by improving the examination content of contracts and improving the method of the performance-based wage system in order to make the base figure and quotas of contracts even more reasonable. We should strengthen the control mechanism and strengthen enterprises' ability to bear their losses in order to enable enterprises to truly assume responsibility for not only their profits but also their losses.

We should exert great efforts in promoting the supporting reforms within enterprises to enhance, to a maximum degree, the vitality and vigor of enterprises. All enterprises should be determined to reform their personnel, employment, and distribution systems and

should resolutely smash the "iron rice bowl," "ironclad armchairs," and "guaranteed wages." All enterprises should gradually carry out the system of appointing managerial cadres and professional scientists and technicians through open recruitment, should set up work positions according to need, and should employ workers through competition. We should promote the optimum organization of laborers and the all-worker contracted management in a planned and step-by-step manner. Distribution within enterprises should fully embody the principle of distribution according to work. Those who are outstanding should be awarded and those who are backward should be punished in order to widen the wage gaps between them. We should increase the proportion of workers' payroll linked with economic performance and should give preferential treatment in remuneration to those who work in hard, tiring, dirty, dangerous, and hi-tech positions and to those who work in the forefront of production and marketing so that we can truly link labor and remuneration with the economic performance of enterprises and contributions of staff and workers.

C. We should conscientiously promote structural readjustment and make great efforts to increase economic efficiency.

In structural readjustment, we should, based on the state industrial policies, promote the readjustment of the production set-up, trade structure, enterprise organizational structure, and investment structure in the course of grasping the readjustment of product mix in order to gradually form an economic pattern under which high and new technology constitutes the focus, the degree of export-oriented economy is high, and the structure is reasonable. Beginning this year, based on constant efforts during the Eighth Five-Year Plan period, we should attain the following six objectives in structural readjustment, namely, developing a number of new products at advanced world and domestic levels; producing a number of brand-name, fine-quality, and competitive products with a considerable large scale; building a group of enterprises applying high science and technology, producing high-quality products, stressing high efficiency, and yielding high benefits; organizing and establishing a number of enterprise groups with brand-name and fine-quality products as their leaders and with large and medium-sized state enterprises as their supporters; developing a number of superior trades embodying the characteristics of Hebei Province; and advancing the province's position in the country in terms of the major targets which reflect the province's economic results and economic strength.

To attain the above-mentioned objectives, this year we should exert great efforts in the following six aspects in doing practical work: 1) Successfully grasping the development of a number of new products and upgrading and renewing old products. This year we should develop 700 new products of or above the provincial level, of which 340 products should reach the advanced domestic level and 60 should reach the world level. 2) Successfully grasping the technological transformation of a number of

medium-sized and small enterprises, enhancing the quality of their product processing, and expanding the scale of production. In line with the demand of applying advanced science and technology and producing high efficiency, this year we should, through the import of advanced technology from abroad, renovate 50 to 60 medium-sized and small enterprises in an effort to make their major technological equipment reach the world level of the 1980s. 3) Successfully grasp the commissioning of a number of large and medium-scale capital construction projects and above-norm technological transformation projects. With regard to these key projects which have a bearing on the overall situation of the province's economy, we should concentrate our energy on them and strive to decide plans, start construction, undertake building, and put them into operation as quickly as possible. 4) Successfully grasping the contracting and building of a number of Sino-foreign joint ventures, cooperative enterprises and foreign-funded enterprises which are aimed at expanding exports to earn more foreign exchange, at producing import substitutes, at carrying out "grafting" transformation, at developing new and high technology, and at producing basic materials. This year, we should sign 400 contracts and strive to raise the rate of contracts realized. 5) Successfully grasping the establishment of a number of export-oriented enterprises. This year we should cultivate and build 80 to 100 export base enterprises and should give a number of enterprises the autonomy of engaging in foreign trade and dealing in exports with a view to pushing onto the world market a number of enterprises with high technological content and with a large amount of export and foreign exchange revenues. 6) Successfully grasping the closing, suspension, incorporation, and transfer of a number of enterprises which are completely unable to halt their deficits.

In addition to conducting structural adjustment, we should exert great efforts in "double increase and double economy" to improve economic efficiency in line with the requirement for "three decreases and three increases" (decreases in the stockpile of goods, in potential deficits and real deficits, and in the funds tied up in finished products, goods shipped in transit, and receivable and advance payment for goods, and increases in the profit-tax rate of funds, in the profit-tax rate of sales, and in the marketing rate of products). First, we should pay close attention to product quality. We should make comprehensive quality control a common practice in all enterprises. This year, more than 300 large and medium-sized enterprises in the province should meet the eight basic demands on comprehensive quality control as set forth by the state. Enterprises whose product quality is substandard should be given the yellow plate warning and should conduct rectification within a fixed time. If they still cannot change their outlook within the fixed time, they should be ordered to suspend production for rectification. Enterprises which produce shoddy and fake commodities on purpose should be resolutely banned, and those which cause serious harm should have the legal liabilities of their managers investigated and

affixed. Second, we should exert great efforts to reduce goods stockpiles and increase the commodity marketing rate. Based on the goods stockpiled by the end of 1991, we should reduce the excessive part by 50 percent. This year's commodity marketing rate should reach more than 98 percent. Regarding the enterprises whose commodity marketing rate is low and whose goods are stockpiled to a serious extent, banks should be strict in issuing loans to them, and pertinent departments should limit the supplies of electricity and raw materials to them and, when necessary, may suspend the supplies of circulating funds, electricity, and raw materials so that these enterprises will close down, suspend production, be merged with other enterprises, or change their production lines. Third, we should reduce the funds tied up in finished products, goods shipped in transit, and receivable and advance payment for goods. Calculated on the basis of the amount of funds tied up by the end of 1990, budgetary industrial enterprises throughout the province should reduce the excessive part of the funds by 50 percent this year. For enterprises whose proportion of tied-up funds in their total circulating funds exceeds the 1991 level and is higher than the rational percentage defined by pertinent departments, banks should strictly control or suspend the loans issued to them. Fourth, we should exert great efforts to reduce enterprise deficits and strictly prohibit enterprises from making false profit reports. This year, the deficits of the budgetary industrial enterprises should be reduced by more than 30 percent from last year. Beginning this year, enterprises which suffer deficits but make false profit reports should have their bonuses recalled, their titles of honor canceled, and the amount of wages linked to economic performance returned. They should be punished according to financial regulations and the responsibility of their leaders should be strictly investigated and affixed. False profits reported in the past by loss-making enterprises should be conscientiously investigated, listed in the budgets as they were, dealt with in a different way according to different situations, and absorbed by enterprises themselves in a few years. Fifth, all enterprises should exercise basic management in a down-to-earth manner, carry out management strictly, and see to it that strict systems are established, systems are implemented strictly, and examination and appraisal are conducted strictly. Through energy conservation, we should increase income, reduce expenses, and tap potential.

D. We should increase the investment in fixed assets in a reasonable manner to enhance the strength for sustained economic development.

Investment in either capital construction or technical transformation should be made with an end to optimize the structure, raise economic efficiency, and improve the entire quality of the economy. While strengthening basic industries and infrastructural construction, we should increase the proportion of the investment made in the intensive processing projects aimed at improving the grade of products and the projects for technological progress. In particular, we should adopt preferential

policies toward the projects that can promote the development of other projects, that have a high technological level, and that are export-oriented. In view of the current shortage of large and medium-sized projects in our province, governments at all levels should select competent cadres to intensify the construction of a project bank, accelerate the preparations for the projects, and pay attention to their construction. We should fully and successfully use state policies for great support to technical transformation, strive to win more approval from the state to undertake some key technical transformation projects, and develop more projects that require less investment and shorter construction period, and that produce readily marketable products and good economic efficiency. We should broaden our field of vision; keep the domestic and the world market in view; develop small, medium-sized, and large projects simultaneously; and strive to make this year's increase rate of fixed asset investment not lower than the national average. To do a good job in project management and to accurately select the sample projects, all prefectures and all trades and professions should strengthen market calculation, information guidance, scientific appraisal, and the scientific formulation of policy decision, and resolutely avoid blindly making policy decisions and developing duplicate projects. The financial, banking, and planning departments of the province, prefectures, and cities as well as enterprises should pioneer various kinds of money collection and credit-granting channels. They should not only strive for collecting funds within the province and the country but also exert great efforts to use both foreign and domestic funds. We should carry out the quota responsibility system to accelerate project construction speed and try every possible means to shorten the construction periods and ensure that the projects will go into operation and create results as soon as possible. The year 1992 is a key period to determine whether the 151 key projects, covered in the Eighth Five-Year Plan of the province, will be developed successfully. We should work firmly and strive for approval of projects that should go through the examination of ministries and those that have not been approved by the State Planning Committee and the State Council. We should firmly grasp the pre-phase preparatory work for the projects whose construction has been listed in plans and strive to ensure that construction and operational readiness of these projects will be realized at an early date.

E. We should enthusiastically support and vigorously develop town and township enterprises and urban collective enterprises.

The governments at various levels should study the guidelines of the eighth plenary session of the party Central Committee and further understand the great significance of developing town and township enterprises. We should continue to unify our thinking, upgrade our understanding, and unswervingly support the development of town and township enterprises. We should continue to implement the principle of paying

equal attention to both development and improvement; persist in the principle of encouraging township and village-run enterprises and encouraging households to run enterprises individually or cooperatively. We should continuously implement the policies on supporting the development of town and township enterprises, defined by the provincial party committee and the provincial government. According to the requirements of ceaselessly readjusting structures and increasing economic results, we should first operate town and township enterprises. We should improve product quality, add the varieties of products, strive to increase economic results, and make new progress in the course of improvement. The enterprises with unsalable products and that stock-pile goods should firmly grasp the development of new products; update and upgrade old products; and adopt the methods of assistance, cooperation, and amalgamation to help enterprises out of their strained circumstances. At the time of improving the existing enterprises, we should grasp market information, fully use local natural resources and various favorable conditions, and strive to develop a group of new town and township enterprises. We should grasp the major contradictions in developing town and township enterprises; study reform measures; and strive to make a breakthrough in accurately selecting projects, making investment, strengthening management, and bringing into play the functions of skilled persons. All government departments and all social fronts should enthusiastically show concern for and support town and township enterprises and show initiative and be positive in serving them. The coastal areas, the areas near Beijing and Tianjin, the suburban counties of large and medium-sized cities, and the counties and townships along railway lines and national roads have favorable conditions for developing town and township enterprises. So, we should first form a situation of developing town and township enterprises to promote the development in other areas of the province. All localities should try every possible means to help the villages and townships without town and township enterprises make a start as soon as possible.

Urban collective enterprises are the key component part of the socialist public ownership economy. Thus, the fundamental key to developing and expanding the urban collective enterprise is to run enterprises according to the nature and special characteristics of collective enterprise and to support development with preferential policies. We should grasp a favorable opportunity of issuing and implementing the PRC regulations toward urban collective enterprises, proceed from the actual conditions of the province, further unify our thinking, define targets and tasks, conscientiously study and work out policies and measures, improve the external environment, transform and improve the internal mechanism, and improve urban collective enterprise development.

F. We should further enliven circulation and greatly develop the tertiary industry.

We should attach equal importance to production and circulation, regard the endeavor of enlivening circulation and expanding the market as important as production, and truly establish a pattern characterized by large-scale commerce, circulation, and market to bring about steady improvement in social production. Starting with the efforts to deepen the reform of the circulation system, we should establish a system of open, unimpeded, flexible, and high-efficient circulation that can be controlled and regulated, and that is dominated by public ownership and supplemented by other sectors of the economy. We should enhance the economic strength and managerial ability of state and cooperative commercial, supply and marketing, material, and grain enterprises so that they can purchase and sell more and expand their market coverage. We should actively but prudently apply Chongqing city's experiences in relaxing the control over management, prices, distribution, and employment to state and cooperative commercial enterprises throughout the province to enhance their vigor. While giving play to the role of state and cooperative commercial enterprises as the major channel, we should also give full play to the supplementary role of collective, private, and individual industrial and commercial units. By improving and developing the multiform and multi-channel circulation networks and socialized service system, we should continuously enlarge the scope of circulation and expand the channels for the marketing of farm and sideline products and local industrial goods to meet the needs in industrial and agricultural production and urban and rural people's life and to ensure the smooth sales of industrial and agricultural products. We should attach great importance to opening up and starting up rural markets and conscientiously organize well the delivery of industrial products to rural areas.

While enlivening circulation, we should exert great efforts to cultivate and develop the market system. On the one hand, we should continue our great efforts to develop commerce and accommodate trade, service trade, and trade fairs and, on the other hand, build, expand, and renovate in a planned manner in line with the economic development needs. We should develop specific local conditions and groups of special markets that reflect local characteristics and are capable of leading the development of industrial and agricultural production. We should map out comprehensive plans to develop the various types of wholesale markets, trade centers, and futures markets in a rational manner to gradually establish a pattern in which wholesale and retail markets of all sizes which sell goods of all grades are rationally disposed and closely coordinated. Meanwhile, in line with planned commodity economic needs, we should use administrative, economic, and legal means comprehensively to strengthen the overall regulation and control over the various types of markets and the various types of special management to ensure the sound management and order of markets and the healthy development of the market system.

Development of the tertiary industry plays an increasingly important role in promoting economic development as a whole and improving people's quality of life. All departments, either commercial, service, and tourist departments or monetary, insurance, transportation, telecommunications, consulting, culture, recreation, and public health departments, should conscientiously study and map out short-term and mid- and long-term development plans to meet the need for promoting economic development and improving people's material and cultural life. After this, they should again map out the overall plan for the province's development of the tertiary industry. The provincial government is organizing personnel to conduct investigations and study this issue and is preparing to hold a special meeting to make arrangements.

G. We should unswervingly open wider to the outside world and strive to improve the overall efficiency of opening to the outside world.

We should take advantage of the current favorable situation in the world market and all opportunities to adopt effective measures more bravely and actively to open wider to the outside world. We should continue to deepen the reform of the foreign trade system, further straighten out the ideas concerning management, transform the operating mechanism, and strive to open up the world market to pluralize our markets and diversify our products. We should support the enterprises provided with necessary conditions to acquire autonomy in export so that more enterprises can directly compete in the world market. We should make adjustments to rationalize the export commodity mix and increase the proportions of the exports managed by enterprises themselves, the exports by the enterprises in the "three forms of ventures," and the export of finely processed products. We should greatly raise the quality and standing of our export products, reduce the cost of foreign exchange earnings, greatly develop the three forms of import-processing and compensation trade, and adopt every possible means to export more and earn more foreign exchange to make sure that the province's rate of export increase this year is not lower than the national average.

In utilizing foreign investment, we should, in line with structural readjustment, strengthen guidance with policies to decide where foreign investment should be made. Foreign investment and cooperation ventures should be focused on transforming large and medium-sized state enterprises, on attracting new and high technology, on producing readily marketable products for world markets that are competitive, and on producing goods that can replace imported products. On the prerequisite of being able to borrow money, making good use of loans, and being able to repay loans, we should positively strive, through diverse channels and in diverse forms, for foreign government loans, government donations, World Bank loans, Asian Bank loans, commercial credit, export credit, and cooperation with and loans from the Bank of China in Hong Kong. All prefectures and cities and all pertinent departments should constantly select new

items and hold talks with foreign firms on these items. Every year, they should prepare a number of projects, hold talks with foreign firms on these projects, strive to conclude transactions on a number of projects, and then put some of them into operation. About 50 percent of the projects whose transactions are concluded should be carried out in the same year, and by the following year about 80 percent of all such projects should be carried out. We should make great efforts to successfully run existing and newly initiated joint ventures, cooperative enterprises, and foreign-funded enterprises. We should strengthen the management, according to law, of the foreign-invested enterprises and should conscientiously implement and honor all policies. We should not only ensure that foreign traders will obtain their legal benefits but also prevent foreign traders from evading taxes, from importing raw materials at high prices and exporting finished products at low prices, and from transferring profits to others. We should conduct large-scale opening, integration, and cooperation with all sides; should persist in simultaneous opening to the outside world and other domestic places; and should closely combine foreign investment with domestic cooperation. The prefectures, cities, and counties, which began developing the commodity economy relatively late, should, proceeding from their local reality, focus their work on opening to domestic places and on vigorously developing lateral economic and technological cooperation with places within and outside the province to promote foreign investment with domestic cooperation. By taking full advantage of the province's geological superiority of being located near Beijing and Tianjin, we should continue to attract the technology, funds, information, and talents of Beijing, Tianjin, and other provinces and municipalities to accelerate Hebei's economic development.

We should rapidly improve the investment environment. We should make great efforts to basically complete the construction of the Hebei section of the Shijiazhuang-Beijing Expressway this year and should ensure that the construction of the Shijiazhuang Civil Aviation Airport will be started in October this year. The improvement of the intangible environment should be focused on perfecting various service organs, on simplifying work procedures, and on improving work efficiency. Those which can be handled rapidly should be so handled. Strict investigation and punishment should be given to those who cause delays in work due to a bureaucratic work style, subjectivism, and a dilatory work style. The Qinhuangdao-Tangshan-Cangzhou Around-Bohai Bay Open Zone should take the lead in the province in all fields of opening.

H. We should pay attention to the work of financial and banking institutions and give full play to their role in serving, supporting, and supervising economic construction.

This year, there are relatively more factors for increasing expenditures and reducing revenues, and the amount of financial expenditures is relatively large. This year, in

addition to ensuring the expenditures on key projects and key technological transformation projects, the province should also increase the expenditures on agriculture, education, science and technology, and trial production of new products. To ensure the balance between revenues and expenditures, and to avoid causing losses, we should first profoundly launch the activity of promoting production and increasing income, with the focus on large and medium-sized state enterprises; should give full scope to the role of finance and tax revenues as the lever of the economy; and should reasonably raise, distribute, and regulate funds to support production and increase financial resources. Second, we should strengthen tax collection and management. At present, the taxes and profits owed by enterprises are relatively high, and, in particular, the scattered taxes are seriously evaded. Therefore, we must rigorously enforce laws and discipline on tax collection, strictly check tax reduction and exemption items, and conduct general financial and tax inspection to repeal the taxes in arrears and to check all loopholes in financial levies. Third, we should continue to conduct the "double-creation and double-shift" activity. Governments at all levels should adopt feasible measures to ensure the fulfillment of the tasks and goals of the "double-creation and double-shift" activity. Fourth, we should perfect the system of quota responsibility for increasing profits and reversing deficits and should strengthen the financial control mechanism. We should continuously appraise, decide, and assign the quotas for increasing profits and turning deficits into profits to key production and management units; improve the award and penalty methods; increase the number of enterprises whose profits and taxes surpass 10 million yuan from 61 in 1991 to 72; and reduce the enterprise deficits by 240 million yuan. Fifth, we should strengthen financial supervision, reduce expenses, reduce the number of new personnel, reduce meeting expenses, control the purchases of sedan cars, and avoid overspending on medical expenses. We should strengthen the management of extra-budgetary funds and accurately guide and effectively supervise the use of these funds. We should strictly enforce financial and economic discipline; resolutely oppose waste and extravagance; and strictly avoid arbitrarily issuing cash awards, materials, and various kinds of subsidies. The nonproductive sedan cars that were purchased in violation of controlled quotas should be confiscated by the province within the year.

The banking departments should ceaselessly deepen reform, further readjust the credit structure closely in line with the key link of readjusting the economic structure and improving the economic results, enliven the use of existing funds, optimize the increased quotas, and exert efforts to enliven capital and the use of loans. We should give priority to supporting basic industries, advantageous industries, new and high technology industries, the development of new products, key construction projects, and the production of readily marketable products. We should adopt credit means to help the enterprises with unsalable products and stockpiles of goods to

reduce the stockpiling, control production, or shift their lines of production. Banks should strengthen the distribution of capital, accelerate the turnover of capital, and use capital more efficiently. We should give full scope to the functions of local banking organizations and urban and rural credit corporations. On the premise of persisting in the state general financial policies and in the methods of issuing enterprise bonds and collecting funds from individuals, we should collect funds from various fronts to make up the deficit in construction funds. We should continue to clear up "debt chains," link the reduction of overstocked products with the granting of loans, and restrict the production of overstocked products. Meanwhile, we should ensure the timely allocation of funds for technological transformation projects. We should continue to consolidate the banking order, resume the banks' honoring of collection, and strictly enforce the discipline of settling accounts. We should supervise enterprises to conscientiously implement the policies on supplementing their working funds and have enterprises ceaselessly supplement their working funds. We should help and guide enterprises to manage and make good use of funds and increase the return on the funds. We should vigorously develop the insurance business, be sure to prevent the occurrences of any incidents and compensate for losses, and give full scope to the role of the insurance business in supporting the economy and stabilizing society.

#### I. We should unswervingly grasp the family planning work.

The year 1992 is a banner year for child birth. The province is still confronted with an extremely grim birth control situation. We must resolutely overcome the mood of being paralyzed and relaxed, of fearing difficulties, and of hating challenges. We should be very determined, adopt more effective measures, and exert more arduous efforts to firmly grasp the family planning work. We should unswervingly implement the existing family planning policies and various laws and regulations and strictly avoid arbitrarily designating birth quotas. We must handle family planning work strictly in line with legal procedures, strictly carry out the system of "issuing child birth certificates," and actually ensure the implementation of the family planning policies. Cadres at various levels, Communist Party members, and Communist Youth League members should set an example in family planning. We should focus the work in the rural areas and among the grass roots and actually build specialized and highly trained family planning worker contingents with good thinking, correct work style, policy awareness, and good management ability. We should continuously persist in the principle of linking temporary activities with regular work; further ensure that there are no multiple births, no unplanned births, and no late abortions. We should ensure the fulfillment of the birth control quotas within the year. We should also use three years to transform most villages and townships into ones without unplanned births and gradually make the family planning work more regular,

systematic, and scientific. Simultaneously, we should positively provide necessary services with the focus on birth control. By so doing, we will not only effectively control the population growth rate but also narrow the relationship between the government and the people and between the cadres and the people and we will promote social stability.

J. We should actively create favorable conditions for improving urban and rural people's living standard continuously.

On the premise that production is developed, we should conscientiously improve the clothing, food, housing, transportation, and medical care conditions for the people within the limit of our financial resources so that people's living standard in urban and rural areas will improve continuously. We should accelerate the reform of the housing system in line with the principles that the state, the unit, and the individual share the necessary funds together, that the leasing, marketing, and construction of houses are developed simultaneously, and that policies are formulated in line with specific local conditions. The housing reform in Tangshan and Shijiazhuang cities should be accelerated and continuously improved, and other cities under the jurisdiction of the province and county-level cities should also map out housing reform plans and put them into effect. This year, we should pay particular attention to urban housing construction on the basis that urban plans are implemented more successfully, comprehensive development is expedited, and urban infrastructural construction and urban basic management are strengthened. We should make sure that 4.8 million square meters of houses are built in urban areas and should strive to complete 5 million square meters. We should formulate overall plans for urban and rural employment, broaden the avenues for employment, optimize urban employment, continue the pilot reform of planning manpower, and bring the province's urban unemployment rate under 2 percent. We should exert great efforts to promote the reform of various social security systems, such as old-age insurance for retired workers, unemployment insurance, industrial injury insurance, and medical insurance, and develop still better the important role of the insurance business in facilitating the transformation of the operating mechanism of enterprises and in ensuring social stability. We should exert conscientious efforts in the reform of the urban and rural health care system and, while ensuring the medical care for staff members and workers, resolve the chaotic management of the free medical care. We should attach great importance to resolving the shortage of doctors and medicines in rural areas, especially economically undeveloped areas. We should solve according to established priorities the problems of traffic congestion, environmental pollution, and chaotic order of some urban and rural areas and the problem of dirtiness, disorder, and poor service in urban areas. We should strengthen pollution control to improve the environment and quality of people's life.

**4. Take the Initiative in Attending to Economic Construction and Spiritual Civilization and Focus on Economic Construction To Conscientiously Intensify the Building of the Spiritual Civilization**

In implementing the party's basic line comprehensively, we should, on the one hand, pay close attention to economic construction, which is the central task, and make all our work geared to and serve economic construction and, on the other hand, attach great importance to the development of our political advantages and the tremendous reaction of the spirit on the material, of the superstructure on the economic base, and of the politics on the economy, and successfully promote the spiritual civilization. If we fail to promote economic construction, we will lose the material foundation for socialism and the conditions on which all our social activities rely for existence, and if we do not adhere to the four cardinal principles and step up efforts to build the spiritual civilization, economic work may deviate from the socialist orientation and developing the socialist economy with Chinese characteristics will be impossible. Therefore, we should take the initiative in attending to these two aspects of work, focus on the central task of economic construction, strive to make all other work geared to and serve economic construction, and perform the various tasks associated with socialist spiritual civilization in a down-to-earth manner.

The basic task of building the socialist spiritual civilization is to improve the scientific, cultural, ideological, and moral quality of all laborers and strive to train a new generation of socialist-minded people who have lofty ideals and moral character and are better educated and well-disciplined to meet the need in socialist modernization. Our endeavor to intensify the building of the spiritual civilization and improve the quality of all laborers will play a tremendous role in supporting, promoting, and ensuring economic construction, and will continuously raise labor productivity and effect a profound change in the entire social outlook.

A. We should firmly embrace the idea of depending on scientific and technological progress to promote economic development and actually achieve success in scientific and technological and educational work. Scientific and technological departments at all levels should increase efficiency closely around structural readjustment and organize scientific and technological forces to conduct joint research for major scientific and technological projects. In agriculture, we should, with the enhancement of comprehensive production capacity as the object, concentrate on selecting and cultivating a number of high-yield, fine-quality, water-saving, calamity-resistant, and fine-variety crops and on researching new key technologies for increasing output in order to rapidly change conventional agriculture to modernized agriculture. In industry, we should regard the work of increasing the technology content of products, improving the quality of processing, and increasing the additional value of products as the major direction of

our endeavor; should conduct joint research for developing major new products, new technology, and new crafts; should score some new achievements in research; should pay attention to experimentation, transfer, and application of these achievements; and should translate these achievements into practical productive forces in a timely manner. All scientific research institutes and all institutions of higher learning should positively and voluntarily learn about the economy, approach the economy, render quality service to economic construction, and tackle technological problems for enterprises and agriculture. We should continue to deepen the reform; rationalize the management system; reform personnel, employment, and distribution systems; and gradually establish an operating mechanism under which science and technology and the economy are closely combined and promote each other. To truly translate scientific and technological achievements into practical productive forces and to further combine science and technology with the economy, planned economic developments should consciously strengthen the sense of depending on scientific and technological progress and should draw up a scientific and technological plan while drawing up a production plan, capital construction plan, technological transformation plan, import plan, and development plan. All large and medium-sized enterprises and other enterprises which have the facilities should establish their own technology development organs and should combine scientific research with production and development. This year, 90 percent of large and medium-sized enterprises should establish their own technology development organs, and other enterprises should also positively cooperate with scientific research institutes and institutions of higher learning to jointly conduct scientific and technological development and joint research so as to translate research results into productive forces. Both industrial and agricultural departments should popularize the mature, advanced and applicable technology on a mandatory basis and should shift such technology to the production sphere as quickly as possible. We should positively support and run well the Shijiazhuang New and High Technology Industrial Development Zone and strive to make a big breakthrough in developing new and high technology this year. The shortage of funds for carrying out scientific research should be solved by the funds from four aspects, that is, the funds issued by planning and financial departments, the bank loans, the funds from joint development items of scientific research and production units, and the funds from the income earned by the scientific research and production entities. With these funds, we should gradually improve the conditions for scientific research.

In educational work, we should conscientiously implement the party's educational principle, gear education to economic construction, and train talents for economic construction. We should persistently put moral education in the first place of the work of schools of all kinds at all levels, should closely combine all kinds of education with the target of educating the people, should

continue to carry out nine-year compulsory education, and should set forth measures and methods to tackle existing problems on the basis of summarizing the results of last year's inspection on enforcement of the "law on compulsory education." Higher education should continue to implement the principles of upholding correct orientation, controlling the scale, readjusting the structure, and improving the quality, should deepen reform, and should strengthen management in order to train qualified persons of all kinds, scarce talented persons in particular, for the province's economic construction. We should continue to encourage institutions of higher learning to run schools in cooperation with industrial and mining enterprises. Scientific research items of various schools should voluntarily serve production as well as industrial enterprises, agriculture, and township enterprises. In vocational and technical education, this year we should fulfill the task of building 60 comprehensive vocational schools and should make the number of students enrolled at all vocational and technical schools account for 50 percent of the total enrollment of the senior middle schools. We should continue to successfully run the rural education reform experimental zone and should make unified planning for agriculture, science, and education and for the adult education, vocational and technical education, and ordinary education. We should further strengthen the practical technology training network of diverse forms at various levels. We should continue to adopt the method of gaining support from financial departments and raising funds in society to improve the conditions for running schools of all levels and all kinds. We should further form a fine practice of respecting teachers and education in the whole society, strengthen the construction of primary and middle school teacher contingents, and vigorously upgrade teachers' political awareness and professional ability. We should do a good job in distributing graduates and positively guide the graduates to work at the grass roots level and in the forefront lines of production.

B. We should deeply conduct the socialist ideological education in line with the practice of reform and construction. We should persist in and carry forward the fine tradition of ideological and political work and adopt various forms to effectively conduct the ideological and political education with rich contents among the vast number of cadres and people in line with the ideology and practice of reform, opening up, and economic construction. We should continuously conduct education on the basic line of "one center and two focal points" among the cadres at various levels and the vast number of the people, help the broad masses of cadres further emancipate the mind and renew their thinking, further consciously persist in taking economic construction as a key link, adhere to the four cardinal principles, persistently conduct reform and opening up work, and concentrate efforts on promoting economic construction. In line with the changing international situation, we should study modern Chinese history and conduct education on the national situation, patriotism, and socialist ideology among the people, particularly the youngsters. From last

year, the province started to launch the socialist ideological education activities among the rural areas by stages and in groups. By explaining the situation and proceeding from the local actual conditions, we should organize the peasants to engage in mass discussions on seeking wealth and stepping toward the target of being fairly well-off, work out targets and measures for being "fairly well-off," and mobilize the enthusiasm of building the new rural areas of socialism with Chinese characteristics. The urban industrial and mining enterprises should conduct education among staff and workers, give full scope to the working class' role as the master of enterprises, and encourage them to better participate in the democratic management of enterprises and to consciously engage themselves in economic construction and enterprise reform. We should vigorously conduct education on waging an arduous struggle, building the country through thrift, and rejuvenating the province through thrift, and conduct education on professional ethics and social morality. We should educate the people to consciously change the prevailing habits and customs; oppose feudalism, superstition, and gambling; deal blows to evil phenomena; purify the social environment; and strive to form a healthy and civilized social practice.

C. We should make efforts to promote rapid progress in socialist cultural, public health, and sports undertakings. In developing the socialist cultural undertakings, we should persist in the principle of "letting a hundred of flowers blossom and a hundred schools of thought contend" and the principle that "the literary and artistic workers should serve socialism and the people" and always regard social benefits as the supreme standard. Literature and art, publication, and radio and television departments should bear a glorious and arduous task in building the spiritual civilization. We should consciously grasp both consolidation and prosperity. Cultural workers across the province should make efforts to upgrade their ideological and moral awareness and professional ability, go deep into reality to understand the livelihood of the people, carry forward the fine national culture, strive to create an increasing number of high-quality socialist intellectual works, use Marxism-Leninism-Mao Zedong Thought to occupy the cultural front, encourage the people to dedicate themselves to the great cause of socialist construction and reform and opening up work, and ceaselessly enliven the mass cultural activities. We should continue to promote the reform of the cultural management system and balance the relationship of cultural management departments. We should positively support skilled persons with outstanding contributions, help them create first-class works, and further enliven socialist cultural undertakings.

Public health workers should continuously implement the principle of taking prevention as a key link, strengthen disease prevention and health care work, and strengthen the prevention and treatment of the diseases seriously sabotaging the health of the people, including infectious diseases, occupational diseases, and endemic diseases. According to the requirement that all rural

people of the province enjoy public health and health care services by 2000, we should further consolidate and improve the third-grade medical, disease prevention, and health care networks in rural areas; continue to pay attention to Chinese medical work; and promote the coordinated development of both Chinese and Western medicines. We should deepen the reform of the medical treatment system, improve medical ethics and medical service style, upgrade the quality of medical service, and better satisfy the people's increasingly strong demands for public health and medical treatment work.

We should extensively carry out mass sports activities, build advanced counties which distinguish themselves in sports, and improve people's constitution and health. We should step up preparations for the seventh national games and make the eighth provincial games to be held in Baoding City successful.

D. We should further step up efforts to comprehensively improve public security and create a good social environment for economic construction, reform and opening up. To improve public security, the key is to conscientiously implement the CPC Central Committee's decision on strengthening public security work; actively wage the struggle against infiltration, subversion, and "peaceful evolution"; deal blows to the various sabotage activities carried out by domestic and foreign hostile forces and hostile elements; and continue to deal stern and prompt blows to various criminal activities according to law. Vicious crimes of murder, robbery, rape, bombing, and abduction and trafficking of women, which seriously endanger public security, should be investigated and solved speedily. Criminal gangs, especially the gangs forming a secret society, and dangerous hooligans should be dealt with actively and resolutely. We should strengthen the functions of the organs of dictatorship, continuously improve their ability to investigate and solve cases, discover and eliminate in a timely manner the various hidden dangers that affect public security, check the rising trend of serious crimes, and gradually exercise standardized and scientific management of public security. We should coordinate the efforts of the organs of dictatorship with those of the masses, establish and improve the various security mechanisms, and mobilize all departments of society to make concerted efforts to carry out various measures for the comprehensive improvement of public security. In line with the principle of making those in charge take the responsibility, large and medium-sized state enterprises, departments in charge of key state construction projects, departments in the high-tech field, and other departments should improve their security responsibility system and strengthen their security mechanism. In coordination with the present socialist ideological education activities, rural areas should map out rules and regulations for the prevention of crimes and the improvement of public security by the masses, strengthen the mediation of civil disputes, and discover and eliminate the various factors for instability in a timely manner.

E. We should greatly strengthen socialist democracy and the socialist legal system. Strengthening and developing the socialist democracy and legal system is an important part of the endeavor of developing politics with Chinese characteristics. Fully developing democracy among the people is an important guarantee for mobilizing the people to the broadest extent to plunge themselves into reform, opening up, and economic construction. Governments at all levels should fully understand the nature, responsibilities, and power of local organs of state power; straighten out their relationship; voluntarily subject themselves to the legal and work supervision of people's congresses and their standing committees; respect people's congresses, their standing committees, and people's deputies; and support them to exercise their responsibilities and power according to law. We should attach importance to and develop the role of CPPCC [Chinese People's Political Consultative Conference] committees, various democratic parties, patriotic personages without party affiliation, and mass organizations in political consultation and democratic supervision. We should establish and improve the procedures and systems for democratic policymaking and supervision and expand and forge closer ties with the masses. We should continuously improve the workers congress system of enterprises and rural villagers committees and, in coordination with the socialist ideological education, strive to enhance citizens' sense and quality of political participation.

Improvement of the socialist legal system is both an important part of socialist democracy and an important guarantee for promoting economic construction and various social undertakings. Governments at all levels should enforce to the letter the basic laws and a series of special rules and regulations formulated by the state. Meanwhile, focusing on economic construction, reform, and opening up, we should turn some mature policy measures into laws according to the legal procedures and gradually establish fairly complete economic and administrative laws and regulations. We should continuously upgrade the standard of conducting administrative work in line with the law and be good at applying legal measures to organizing, directing, and managing economic activities and social affairs. Efforts should be made to earnestly implement the "administrative lawsuit"; to enhance the sense of organs at all levels and their working personnel in accepting the supervision conducted by the judicial department over administrative acts; to do a good job in carrying out the reconsideration of administrative cases and conducting the work of responding to the suit; to realistically deal with the practice of not following the law in doing things, not strictly enforcing the law, and imposing punishment arbitrarily; and to safeguard the legal rights of citizens and legal entities. Judicial and administrative organs at all levels should bring their function into full play. Urban areas should regard as an emphasis the work of boosting large and medium-sized enterprises. Rural areas should regard as an emphasis the work of implementing the responsibility system linked to output, having science

and technology make agriculture prosperous, and of developing township enterprises, and should vigorously provide legal service and protection for peasants. We should continue to enforce the "second five-year plan" of law popularization and upgrade all the citizens' knowledge of the legal system and their concept of observing the law. In particular, the working personnel of governments at all levels and personnel in charge of enforcing the law should take the lead in studying, mastering, observing, and enforcing the law and set themselves as examples in observing and enforcing the law.

F. We should further do a good job in conducting the work of supporting the army and giving preferential treatment to servicemen's families as well as of supporting the government and cherishing the people and deeply carry out the joint campaign between the army and the people and between the police and the people in building spiritual civilization. Over the past many years, the People's Liberation Army [PLA] stationed in the province and the broad masses of officers and soldiers of armed police forces, by inheriting and carrying forward the glorious tradition in which the people's army supports the government and cherishes the people, have made great and important contributions to building socialist material and spiritual civilizations in the province. Local governments at all levels and the vast number of people have also made due efforts to support the army and give preferential treatment to servicemen's families, to support the PLA units, and to tighten the ties between the army and the government and between the army and the people. While deeply carrying out the "double support" campaigns, governments at all levels must consciously do a good job in supporting the development of PLA units and conducting the work of supporting the army and giving preferential treatment to servicemen's families and must foster in the entire society the fine morale in which everyone is responsible for respecting, cherishing, showing concern for, and supporting the people's army as well as giving preferential treatment to servicemen's families. Efforts should be made to uphold the systems of discussing military affairs, holding joint meetings between the army and government, and exchanging visits between the army and the government; to actively solicit opinions from the PLA units in a regular manner; to help in a timely manner the PLA units deal with problems that can be dealt with by local governments; and to successfully conduct the day-to-day and practical work. A good job should be done in earnestly making job arrangements for retired, demobilized, and transferred armymen, and realistically implementing the special-care policies for the family members of servicemen and martyrs as well as disabled armymen to help them deal with their difficulties in production and livelihood. We should deeply conduct education on national defense among all citizens so as to enhance the concept of the broad masses of cadres and the people on national defense and to have them consciously perform their right and obligation for national defense. We should educate the masses to cherish and protect the military facilities and further do a good job in building

reserve forces and militia units. Efforts should be made to continuously carry out the joint campaigns between the army and the people and between police and the people in building spiritual civilization; to make mutual efforts to build prefectures, cities, and counties into the models of the "double-support" campaign; to encourage more units to become models of the "double-support" campaign; and to foster more advanced units, neighborhoods, townships, towns, and villages.

G. We should further do a good job in conducting the work concerning nationalities' and religious affairs. Governments at all levels should earnestly implement the spirit of the central work conference on nationalities' affairs and actively create conditions by bearing in mind the province's reality for accelerating the development of undertakings in the economy, education, and culture in the autonomous areas of minority people and the areas where minority nationalities live in compact communities. We should further implement and improve various preferential treatment policies and supporting measures and realistically help minority nationalities deal with some problems that urgently need to be solved, accelerate their pace of getting rid of their poor outlook and becoming wealthy, and continuously enhance their capability of self-development. Efforts should be made to implement in an overall way the "regional national autonomous law" and the province's several regulations in enforcing the autonomous law and to realistically protect the autonomous right and interest of national autonomous areas and the legal right and interest of the scattered minority people. We should vigorously train, select, and employ the cadres of minority nationalities and vigorously upgrade the scientific and cultural quality of minority nationalities so as to promote the unity and mutual prosperity of various nationalities throughout the province. Efforts should be made to continuously implement the party and state religious policies and to respect or protect the legal rights and interests of patriotic religious organizations and their regular religious activities. At the same time, we should strengthen education on patriotism and socialism among religious believers and figures in religious circles in order to constantly enhance their consciousness in safeguarding the interests of the country and the people. We should strengthen the management, according to law, of religious affairs; bring religious activities within the scope permitted by the laws, regulations, and policies; resolutely ban all kinds of illegal activities; and resist the infiltration of hostile forces.

##### **5. Actually Change the Style of Work and Further Improve the Government Work**

In this new year, the tasks facing us are very arduous, and the new situation sets an even higher demand on government work. To fulfill all the tasks for 1992, governments at all levels should, under the leadership of the CPC Central Committee, the State Council, and the provincial party committee, further emancipate the mind, renew concepts, actually change the style of work, and make great efforts to improve the government work.

First, we should actually strengthen the ideological development of governments at all levels and wholeheartedly serve the people. Our governments at all levels are representatives of the people's interests, and wholeheartedly serving the people is the fundamental purpose of the people's government. Only after winning support and trust from vast numbers of the people can we achieve success in government work. Therefore, when we think of issues, decide policies, and handle affairs, we should always consider the people's interests the point of departure and the end and should regard the people's "hot issues" as the focal points of the government work. As for the major problems reflected by the masses, conscientious studies should be conducted and effective measures should be adopted to actually solve them. From the policies, work, and actions of the government, we should make the people truly feel that the government is really seeking their interests. All government workers, leading cadres at all levels in particular, should enhance their mass viewpoint, earnestly adhere to the mass line, fully respect the creative spirit of the masses, and make the policies and measures adopted by the government truly fit the interests of the people. We should frequently go deep into the grass-roots areas to do tangible things for the masses and solve the practical problems in the production and the livelihood of the masses. On no account should we engage in the things without practical significance and the things which tire the people and drain the treasury. We should truly attend to the work related to the petitions of the people in order to actually safeguard the democratic rights of the masses. So long as we genuinely and sincerely depend on the masses, enthusiastically show concern for the masses, perform official duties in an honest way, diligently work for the masses, and do tangible things and seek the interests of the masses in a down-to-earth manner, we will surely win the trust and support of the vast numbers of the masses.

Second, we should penetratingly struggle against corruption and vigorously promote honest administration. Although we have adopted quite a few measures in stressing administrative honesty and struggled against some negative and corrupt phenomena, we should never overestimate our achievements in this regard, nor should we be slack and careless in this regard. Current conspicuous problems are as follows: Our work is not good enough in investigating and handling some major and serious cases in a timely and effective manner and in exposing some deep-seated problems; some corrupt practices, such as deals between power and money, abuse of power for selfish gains, robbery, graft, lavish wining and dining and giving of presents with public funds, and arbitrary construction of private houses, have not been checked despite repeated prohibition; and the unhealthy trends in some trades and departments remain very serious and conspicuous. Governments at all levels should continue to regard opposition to corruption and the building of clean and honest governments as an important part of their endeavors for self-improvement. They should correctly understand the relationship

between the anticorruption struggle and the building of a clean and honest government on the one hand and prevention of "peaceful evolution" on the other from the perspective of consolidating the socialist system and preventing "peaceful evolution," exert unremitting efforts in this work, and facilitate and ensure the healthy development of economic construction. Corrupt elements who abuse power for selfish gains, take bribes, pervert justice for bribes, and blackmail the masses should be strictly investigated and handled. Regarding serious cases which involve large numbers of persons and units and those of group embezzlement and bribe-taking and abuse of power for selfish gains, we should organize sufficient personnel to investigate and handle them resolutely and should never tolerate them lest they bring disaster. We should conscientiously implement Document No. 17 issued by the General Office of the party Central Committee in 1991 and the relevant regulations of the provincial party committee and government; resolutely check the practice of lavish wining and dining and present giving with public funds; continue the massive effort to correct the unhealthy trends in some trades and departments; and persistently check the arbitrary collection of fines, fares, and donations. Leading members of governments at all levels should take the lead in setting themselves as an example first, supervise their family members and subordinates well, never shield corrupt practices, and resolutely support supervision and inspection departments to strictly investigate and handle various problems.

Third, we should be determined to streamline administration, conscientiously change our work styles, and raise work efficiency. Unwieldy organizations and over-staffing have become a very conspicuous problem of our governments at all levels over the past few years. It has not only increased our financial burden and greatly weakened our capacity for economic development but also lowered work efficiency, affected unity in work, and encouraged bureaucracy. Leaving this problem unsolved will not only affect economic construction and the development of other undertakings but, also, bureaucracy and formalism will become very difficult to overcome. Therefore, we should be determined to streamline administration. Government organs should resolutely stop establishing new departments, upgrading their departments, or increasing their staff and leading posts and institutions should also stop establishing new departments and increasing staff so that the continuous increase in staff can be brought under control. While controlling the increase of departments and staff, we should actively, yet prudently, reduce the size of the departments. In line with the requirement of the provincial party committee and government for accomplishing the size reduction task in two to three years, departments directly under the province as well as those of prefectures and cities should accomplish 50 percent of the task this year. After reducing their sizes last year, county-level departments should complete the work of reducing and placing above-quota personnel this year. Based on the institutional reform plan of our province, which has

already been approved by the State Committee for the Establishment of Government Organizations, we should successfully conduct the reform of the provincial-level organizations in line with the requirement for changing their functions, balancing their relationship, streamlining their staff, and raising their work efficiency and strive to establish compact, coordinated, and highly efficient provincial-level administrative systems. Meanwhile, we should continue the pilot institutional reform in Tangshan, Baixiang, and other cities and counties and explore the way of "small-scale government but large-scale service" so as to make good preparations for the institutional reform of cities and counties.

All levels of government and all departments should, with the spirit of reform, establish the control mechanism, simplify the links and procedures in handling affairs, rigorously enforce work discipline, accelerate the tempo of work, and enhance work efficiency. Those which can be handled rapidly and early should be so handled, and should never be done in a dilatory manner. The items which have already been decided by the government should be executed resolutely, rather than being obstinately rejected or put off. Among different departments, the coordination spirit should be carried forward to actually strengthen the coordination and joint action between them, and efforts should be made to resolutely overcome departmental selfishness and the bad phenomenon of shifting responsibility onto others and arguing back and forth with others. By no means should various departments obstruct, affect, and put off the progress of the work related to the whole situation by one-sidedly stressing the interest and power of their own.

Fourth, we should firmly foster the idea of doing solid work to make the country and the province strong and should unfailingly grasp the implementation of all items of work. The CPC Central Committee and the State Council have formulated a series of correct lines, principles, and policies to promote the smooth progress of socialist undertakings, and the provincial party committee has already made definite arrangements and set definite demands on this year's work. At the moment, what is most important is doing solid work. Only with solid work and real implementation of all items of work can we turn work arrangements into practical actions, and can we achieve practical results from correct policies and decisions. All levels of governments and all government workers should, with the spirit of being highly responsible for the people, firmly foster the idea of doing solid work to make the country and the province strong; should foster the fine traditions of investigating the real situation, telling the truth, thinking of practical ways, doing tangible things, struggling arduously, and being engrossed in hard work; should grasp the implementation of all items of work; and should create achievements in work in order to effect a new change in the work of all localities, departments, and units in this new year. It is clear to the vast numbers of cadres and the masses, and it can be tested by practice, that a locality or a department has done solid work or has indulged in empty and

big talk, refused to do tangible things, indulged in formalism, and paid lip service. If a locality, a department, or a unit, which has done a year's work, has been just about average in its work, has made no change and no progress in its work, and has failed to fulfill various economic construction targets, then it cannot say that some achievements have been scored its work, no matter how good it talks. This year the provincial government will continue to implement the quota management and responsibility system and will further perfect the quota system management method in various prefectures, cities, and departments. All the major economic and social development quotas which have been subjected to the quota management should be assigned to all levels, and efforts should be made to define responsibilities, give strict examinations, and report the results to the public in order to really give rise to a fine atmosphere of emulating each other in doing solid work, making contributions, and scoring achievements throughout the province.

Fellow deputies!

The tasks we face now are extremely glorious and arduous, and along our way of advance, we will probably encounter some problems and difficulties which are hard to predict. However, we firmly believe that so long as we firmly and unwaveringly implement the party's basic line under the leadership of the CPC Central Committee, the State Council, and the provincial party committee, and so long as we closely depend on and unite the people throughout the province to work hard with high morale and with one heart and mind, we will certainly be able to successfully accomplish all this year's tasks and constantly push forward the province's socialist modernization drive!

#### Shanghai Government Work Report

OW0705134392 Shanghai JIEFANG RIBAO in Chinese  
30 Apr 92 pp 1, 3

[“Government Work Report Delivered by Shanghai Mayor Huang Ju at the Fifth Session of the Ninth Shanghai Municipal People's Congress on 21 April 1992”]

[Text] Fellow deputies:

On behalf of the Shanghai Municipal People's Government, I am going to present to you the government work report. Please examine it. I also request members of the municipal committee of the Chinese People's Political Consultative Conference [CPPCC] to express your views about this report.

#### I. Review of the Work Accomplished in 1991

Shanghai made new headway in its economic construction and in carrying out its reform and opening up programs in 1991, which was a year full of vitality. The progress the nation achieved in restoring the economic order and improving the economic environment in 1991

created a favorable environment for achieving even greater success in carrying out reforms and opening up to the outside world, and it also provided Shanghai with a good macroscopic environment to open up and develop Pudong as well as achieve higher economic growth. Led by the CPC Central Committee, the State Council, and the Shanghai Municipal Party Committee—and with supervision and support from the municipal people's congress and the municipal committee of the CPPCC—people throughout Shanghai exerted concerted efforts, persisted in focusing their attention on economic construction, fought in unity to surmount difficulties (such as the virtually unprecedented flooding), and victoriously accomplished all national economic and social development assignments set by the Fourth Session of the Ninth Municipal People's Congress. The new achievements were inspiring, and the implementation of the Eighth Five-Year Plan had a good start.

National economic development picked up in all sectors, and sizable municipal construction projects were launched. Last year was a year in which Shanghai enjoyed the fastest economic growth. In industrial production, gratifying changes were noted in three areas: Local state-operated industrial enterprises stopped their downward slide—a goal put forward early in the year. That reversed the negative growth which had gone on for two consecutive years. The production of large and medium-size state enterprises picked up noticeably, and the city's industrial growth was basically as high as that of the country. As a result of the improvement of the industrial structure, especially product mix, the performance in the industrial sector was quite satisfactory. Compared with the year before, the total industrial output value last year increased 13.7 percent; profit taxes paid by local state-operated industrial enterprises, whose revenues were part of state budget, increased 1.5 percent; over 12,000 kinds of new products—an increase of 10 percent—were developed; and the output value of commodities, which were developed on a priority basis, increased 30.2 percent. In agricultural production, thanks to the fight put up by the vast number of cadres and people in rural areas as well as soldiers and civilians in urban areas, Shanghai reaped a good crop last year, despite the natural disasters. The total value of agricultural output topped that of the year before by 6.3 percent; the city reaped bumper harvests of grain, cotton, and oil-bearing crops; and the production and supply of principal non staple food were better than the year before. Demand and supply on the market were basically balanced, sales increased steadily, and total retail of consumer goods topped that of the year before by 13.8 percent. In the area of foreign trade and export, Shanghai withstood the test of change in the international environment as well as structural changes and exported \$5.73 billion of goods, topping that of the year before by 7.7 percent. In 1991, Shanghai brought in \$450 million direct investment from foreign businessmen. That was 20.1 percent higher than the year before. The volume of incoming and outgoing freight handled by ports in

Shanghai was a record 147 million tonnes. Local financial authorities fulfilled their annual budgetary plans for the amounts of revenues they expected to collect.

The year 1991 was also a good year for Shanghai's urban construction. The city invested a record 1.93 billion yuan—an increase of 50.1 percent over that of the year before—in municipal construction projects. The completion of the world-class Nanpu Bridge, and the completion of various other major infrastructural projects, greatly boosted the morale of people in Shanghai. The completion of such mainstay projects as the Wusong Road Bridge, the upper overpass near the Shanghai Stadium, and the lower overpass in Xujiahui District, alleviated the congestion in some areas. Housing with a total floor space of 4.686 million square meters was completed, and 11,000 families with many family members—or families with housing problems—moved into new quarters. Coal gas and liquefied natural gas were piped in to an additional 170,000 families. The 10 practical services, such as the radio station providing traffic information and emergency telephone services at night, proved to be very useful to urban residents, and these services have forged closer ties between the government and the people.

**New headway was made in economic restructuring, and the development of Pudong actually started.** The citywide discussion of the plan for reforming the housing system showed that it was received and supported by the overwhelming majority of urban residents. Under the plan, which was successfully introduced on 1 May, new avenues of raising housing construction funds from the state, collectives, and individuals were explored. The 430 million yuan of public funds raised in 1991 alone quickened the pace of housing construction. The market became stable; people had peace of mind as result of faster price reform, the adjustments made in marketing prices of grain and cooking oil and some industrial goods, the decontrolling of prices of vegetables and some non staple food, the elimination of coupons for the purchase of certain commodities, the greater emphasis placed in market regulation, and the progress made in rationalizing the pricing system. Enterprises explored new ways to restructure themselves, and some large and medium-size state enterprises conducted experiments, focusing on replacing their operating mechanisms, and succeeded in revitalizing their operation. People began to rebuff the system characterized by "iron rice bowls," "ironclad wages," "iron armchairs," [lifelong tenure] and "eating from the big rice pots." The financial sector also made new strides. After the People's Bank of China approved the establishment of two Sino-foreign financial companies in late 1990, eight additional foreign banks were approved last year to open their branches in Shanghai. Following the opening of the nation's first stock exchange in Shanghai, transactions of various types of negotiable securities exceeded 12.6 billion yuan in Shanghai last year. For the first time, special stocks in Renminbi were sold abroad. All this shows that monetary business is playing an increasingly important role in Shanghai.

The development of Pudong actually started. Of the 10 mainstay projects relevant to communications, energy, telecommunications, and environmental protection scheduled to be completed during the Eighth Five-Year Plan period, two were completed and the construction of seven others started. The formalities of leasing out 9.51 sq km of land within some small zones for priority development were completed, and some pieces of land were sold to foreign buyers. With the constant improvement of the investment environment in the new region, a good momentum of investment from businesses at home and abroad was created. A total of 161 domestic enterprises invested in Pudong, and 90 direct investment projects sponsored by foreign businessmen, as well as the construction of a number of banking and commercial buildings, were approved. Ten Chinese financial institutes were approved to open branches or subsidiaries in Pudong. The introduction of new preferential policies and supporting measures powerfully promoted the development of Pudong.

**Scientific, technological, and educational development as well as the development of public health services continued, and spiritual construction intensified.** Thanks to all forms of publicity work and the success achieved by the first science and technology festival in Shanghai, people became more aware of the idea that "science and technology are the primary productive forces." In 1991 Shanghai accomplished a total of 2,588 major scientific and technological developmental projects, including 1,045 which reached or approached advanced international level. Schools of all descriptions and at all levels continued to intensify their ideological and political work, and they also gradually started to restructure their internal management. New strides were made in improving measures for enrolling junior middle school students. Experiments of revising the teaching materials of some middle and primary school curricula were conducted in selected schools, and continual efforts were made in solving the problems caused by the large numbers of students enrolled in primary schools in urban Shanghai and in junior middle schools in outskirt counties. Hospitals succeeded in improving their outpatient and emergency medical services, and medical services in rural areas also improved. During the devastating deluge, many medical workers went to stricken areas to treat sick people and help people guard against disease, and they succeeded in attaining the goal of preventing the occurrence of any serious epidemic after a serious disaster. The introduction of the insurance system for hospitalization of middle and primary school students and kindergarten children received very favorable public response.

The large numbers of outstanding literary and art works, and the new theatrical works which reflect the spirit of the time and lofty sentiments—such as the drama "The Big Bridge" and the Shanghai theatrical work "The Bright Moon Illuminates the Heart of a Mother"—were welcomed by audiences and were spoken of highly by leading comrades of central authorities. The vast

number of journalists and art workers played an active role in educating and inspiring the masses through publicizing the successes Shanghai achieved in reform and opening up, as well as the deeds of advanced people on all fronts. The masses' sports activities continued to develop. Athletes in Shanghai again achieved new successes in some major tournaments. They broke two world records on three occasions, and won 11 world championships. Military units and governments in many districts and counties forged closer unity by reciprocating support. The promotion of administrative ethics, the struggles to stop irregularities and eliminate pornography and the "six vices," and the cracking down of all forms of crimes ensured social stability and economic development.

Looking back at the success achieved in our work during the past year, we must express our profound thanks to the People's Congress deputies and CPPCC committee members for their warm support and assistance to government work in the past year. We must also express our highest respect to the workers, peasants, intellectuals, people from all walks of life, and officers and men of the PLA [People's Liberation Army] and Armed Police Corps in the municipality for their great contribution toward the revitalization of Shanghai.

Although Shanghai achieved gratifying success in economic and social development during the past year, some problems that should not be neglected still remain. The foundation for improving the efficiency of enterprises, especially public industrial enterprises within local budgets, was still rather weak. Finished goods soaked up large amount of funds, and indebtedness was still serious. The gap between revenues and expenditures in local budgets was acute, and deficits had increased. Management along administrative lines, an inability to distinguish between government and business, and other signs of malpractice were present in economic management structure. There were still many weak links in urban management, agricultural production, environmental protection, social order, production safety, culture, education, public health, and other areas. Compared to the special economic zones and some coastal fraternal provinces and municipalities, Shanghai still lagged behind in emancipating the mind and changing the mentality in order to vigorously develop the socialist commodity economy.

Summing up our work in 1991 by relating it to the experience of reform and opening up to the outside world since the Third Plenary Session of the 11th CPC Central Committee and of the three-year economic rectification, the following are our understanding:

**1. We must resolutely and completely implement the party's basic line during the initial stage of socialism.** The fundamental way for revitalizing Shanghai is to accelerate the pace of reform and opening up to the outside world and quickly boost the economy. The key lies in heightening awareness in implementing the party's basic line by cadres at all levels. While being on guard against

rightism, they must mainly prevent "leftism." They must further emancipate the mind, adopt a realistic approach in all matters, dare to break away from those old conventions and systems that had hindered the development of productive forces for a long time, dare to discard the traditional concepts formed under a highly centralized planned economy structure, and dare to absorb and draw on all the successful experiences of foreign countries, including the advanced operation and management methods of developed Western countries. In the past year, under the leadership of the municipal party committee, we have reached a common understanding, rejected interference, concentrated on the center of economic construction, upheld the four cardinal principles, and upheld reform and opening up to the outside world, creating a good momentum for the development of Pudong district, the successful operation of large- and medium-sized state enterprises, and the acceleration of urban infrastructure construction.

**2. We must focus our strength on waging a war of annihilation so that the limited manpower, materials, and financial resources can yield the highest returns.** The task for developing Pudong and revitalizing Shanghai is extremely tedious. To enable the economy of Shanghai to move up to a new level every few years, we have to highlight the key points; exert superiority as a whole; work together to tackle key issues; pool our limited manpower, materials, and financial resources; and use them for important projects that will enhance our economic strength and advance urban development. We must do so in order to accelerate the pace of construction and generate good economic returns and good social benefits. We can only inspire the people, enhance cohesion, and make the people of Shanghai unite around the party and government to work together for the revitalization of Shanghai in this manner. The success in building Nanpu Bridge, resisting floods, providing relief, and carrying out the Taipu He project fully demonstrated this point. Henceforth, we must continue to concentrate our strength to do a few great deeds and build a few great projects each year in order to soundly press ahead with the economic development of Shanghai.

**3. It is necessary to resolutely implement the mass line.** When carrying out projects, we must take the interests of the masses into consideration, and we must rely on the masses to carry out all projects. Our reform and construction are for the fundamental interests of the people. However, in the course of reform and construction, the partial and immediate interests of some people will inevitably and temporarily be affected. Therefore, before formulating major reform measures and carrying out important projects, it is necessary to clearly explain to the people about the importance and necessity of the reform measures and projects that are to be introduced and carried out. Let the people envision the beautiful prospects so they will be enthusiastic about reform and construction. At the same time, it is also necessary to let the masses be fully informed of the possible difficulties

and contradictions that reform and construction will entail. We should keep the masses informed about the actual situation of reform and construction, gain their understanding of and win their support for reform and construction, and get them involved in reform and construction. Let us enhance our faith to overcome difficulties; let us work with one heart and mind to do a good job in our work. Last year's smooth introduction of reform measures for the housing system and commodity prices and the success of a great discussion on the traffic problem fully strike home the fact that adherence to the mass line is the most important guarantee for the success of our projects.

## II. It Is Necessary To Seize the Favorable Opportunity at Hand, Further Deepen Reform and Opening Up, and Accelerate the Pace of Economic Construction

In the historical course of revitalizing Shanghai, we are now at a critical juncture of accelerating the pace of reform, opening up, and economic construction. Comrade Deng Xiaoping's important expositions on building socialism with Chinese characteristics have shown us the direction for Shanghai's rejuvenation and for the development of Pudong. Leaders of the CPC Central Committee, the State Council, and the older generation of revolutionaries, proceeding from the strategic high plane of national economic development and with a view to strengthening the socialist system, have expressed the hope that the people in Shanghai will further emancipate the mind, be bolder in reform, further accelerate the pace of the economic construction, and be at the forefront of the nation's reform and opening up; they also want to see Pudong overtake other development zones. Greatly encouraged by the concerns shown by the central leaders, people in Shanghai have further gained confidence and determined to continuously take the road of building socialism with Chinese characteristics.

In his "Report on the Work of the Government," which was delivered at the Fifth Session of the Seventh National People's Congress, Premier Li Peng clearly pointed out: "In the New Pudong District in Shanghai, which will enjoy priority in development and opening up in the next decade, we should improve the infrastructure, create a good investment environment, and build a number of projects that bring satisfactory investment returns. The development of the New Pudong District will stimulate economic growth in the Changjiang delta and throughout the river valley, and it will gradually turn Shanghai into one of the economic, banking, and trade centers of the Far East." The CPC Central Committee, the State Council, and the people in the nation place high hopes on Shanghai. Now, with the basic realization of the national efforts to improve the economic environment and to rectify the economic order, our country's economic construction has entered a new development stage that provides a rather favorable macroenvironment for Shanghai to proceed with its efforts to develop Pudong and to rejuvenate Shanghai. After more than 10 years of practice in reform and opening up, Shanghai has

accumulated considerable experience and has the conditions and capability to accelerate economic development. People in Shanghai are cooperating with the government's reform efforts; this will be an asset for Shanghai development. In addition, as Shanghai enjoys clear advantages in the areas of skilled workers, technology, and business management; it has the conditions to accelerate economic development. Despite the difficulties and tortuous road ahead, we have the confidence and capability to assume the heavy responsibility that history has entrusted upon us. As major policies are now in place, the key lies in their implementation. We should enhance our sense of urgency, lose no time in accelerating the pace of reform and opening up, concentrate our efforts in the economic construction, step up efforts to explore new ways to develop a socialist metropolis with Chinese characteristics, and realize the goal of "revitalizing Shanghai, developing Pudong, serving the whole nation, and orienting toward the world." The guiding principles for the work of the government in 1992 are: Under the guidance of the party's basic line, we should embrace the opportunity to develop Pudong, give priority to running large- and medium-sized state enterprises efficiently, accelerate reform, and open up wider to the outside world; we should readjust the industrial structure and raise economic results by relying on scientific and technological progress; and we should accelerate economic development and the pace of urban infrastructural construction and strengthen the building of socialist spiritual civilization and the legal system in order to make new progress in Shanghai's economic construction and social development.

According to the plan for this year, the total annual output value of goods and services for the municipality will increase 7 percent, which is higher than last year's actual growth rate. Of this, the total annual output value of the tertiary industries will increase 8 percent or more. The amount of profits and taxes to be turned over to the state by the industrial enterprises in the municipality will be larger than last year, but the number of days for the turnover of their working capital will be smaller. The proceeds from sales will increase 10 percent over last year. Local investment in fixed assets will be 22-24 billion yuan, 8 billion of which will be invested in the New Pudong District. According to state statistics, local revenues are planned for 18.38 billion yuan—comparable revenues in 1991 were 16.5 billion yuan.

The main tasks for this year are to:

### 1. Vigorously Promote the Development of Pudong and Open Up Wider to Both the Inside and the Outside

The New Pudong District is a new starting point for developing and revitalizing Shanghai. The party Central Committee and the State Council have given us great help and shown great concern in this regard. Various central departments, ministries, and commissions, as well as fraternal provinces and municipalities, have given us enthusiastic support. Now the New Pudong District has become an open and developmental area

attracting the attention of the world. Now is the most opportune time for the development of Pudong. Through two years of work, the development of the new district has essentially started. We must now seize the opportunity to accelerate the pace of development and opening up to the outside world. Starting from a high standard and following the principle of "the latecomers surpassing old-timers," we should "bring about some changes in a year and great changes in three years." We should redouble our efforts to improve our development planning, accelerate infrastructural construction, and strive to create a favorable investment environment. We should work hard in a vigorous, pioneering spirit to usher in the high tide of Pudong development.

The objective for Pudong development in the next three years has been set: On the principle of "concentrating on making important breakthroughs," it is necessary to promote the development of three small key areas through the building of two major bridges and one main highway—that is, to promote the development of three small key areas through the building of Nanpu Bridge, Yangpu Bridge, and the Yanggao highway; it is essential to complete the construction of 10 key projects and their supportive infrastructure in order to noticeably improve the investment environment in the New Pudong District. The three small key areas for the first stage of development are beginning to take shape. High-rise banking and trade buildings, the "Pearl of the East" television tower, and cultural and recreational facilities will be built in the Lujiazui banking and trade area, which will form a perfect pair with another banking and trade center along the Bund in Puxi. The Jinqiao export processing area will be built into a new, strong industrial area with a large number of domestic- and foreign-funded enterprises that will have better economic results by producing high-quality products and export most of their such products. With the operation of four 10,000-metric-ton berths and the improvement of management rule and regulations, the Waigaoqiao bonded area will become the country's free trade zone with the highest degree of opening up to the outside world.

According to the above-mentioned goals, the key points of this year's work are: First, to speed up the pace of infrastructure construction undertaken by the municipal government. We will complete the project for rebuilding and widening Yanggao Road and open it to traffic by the end of the year, and basically complete a 10,000-ton wharf in the Waigaoqiao new port zone and put it into operation by the end of the year. The second key point is to speed up the development of small zones. We will open up, construct, and introduce projects in the Lujiazui, Jinqiao, Waigaoqiao, and other key small zones as we move along. Pilings for the 11 financial and trade buildings in the Lujiazui financial and trade zone will begin this year, and the first phase of the Binjiang Avenue project has begun. At the Jinqiao export processing zone, the area developed [this year] should reach 1.5 square km, standard factory buildings with a total floor space of 50,000 square meters should be built, and

some imported projects should be constructed. The segregation facilities at the Waigaoqiao free trade zone have been checked and accepted by the General Administration of Customs. This year, we must focus our energy on speeding up its development and form operation capability as soon as possible. We must complete the organization of its management committee, straighten out the relationship with all sides, and form the working mechanism for free trade. Construction of the Zhangjiang high-technology park must be completed this year. The third key point is to work hard to increase the amount of domestic and foreign capital utilized. We will implement preferential land prices and other policies and focus on introducing and executing a group of major projects. The amount of foreign capital attracted this year must be clearly higher than last year. We must earnestly improve our work in luring foreign business, introduce "one-stop" administration and "streamlined" services for foreign investments, and speed up the process for approving projects, land leases, and base relocations. The fourth key point is to continue to improve the general plan, sub-zonal plans, and plans for specialized industries of the Pudong New District based on the requirements for economically, socially, and environmentally coordinated development. When promoting the opening up of Pudong, we must seriously study the policies issued by the State Council in this regard, make full use of them, and pay attention to their publicity and implementation.

While vigorously promoting the opening up of Pudong, we must continue to open wider to the outside world throughout Shanghai. In foreign trade this year, we must change the traditional pattern for conducting foreign trade, and earnestly explore new ways to conduct foreign trade in a businesslike, internationalized, and diversified manner by focusing on opening up the international market in an all-around manner. We must continue to correct the mix of export products, strengthen the building and management of overseas enterprises, and vigorously expand the transnational operation. While letting a group of large and medium-sized industrial enterprises manage and expand imports and exports on their own in a planned manner, we should actively promote trade-industry, trade-agriculture, trade-technology, and inter-regional associations by utilizing economic ties and based on the principle of mutual benefits, to gradually form a group of conglomerates led by trading companies that blend trade with industry, agriculture, and technology. While pressing foreign trade enterprises to change their mechanisms, strengthen their vitality, and improve their efficiency, we must work hard to increase exports and strive to maintain the annual growth rate of exports at a higher level than the GNP. We must continue to expand the export of technology and labor, and improve work related to imports.

It is necessary to seize the favorable opportunity at hand, step up utilizing foreign capital, improve the investment structure, and comprehensively raise the level of foreign capital utilization. We will strive to double the number

and the negotiated amount of direct foreign investment projects this year and ensure the quality of the investment projects. The municipal government has decided to delegate the authority for approving foreign investment projects and has encouraged districts and counties in the municipality to vigorously attract foreign investment in line with the state industrial policy. Districts and counties are urged to set up foreign economic affairs committees this year and to step up the training of cadres for foreign economic work. We will utilize foreign capital to develop tertiary industry by following principles conducive to developing the national economy, improving the investment environment, and to making market thrive. On the basis of compensatory transfers of land use rights, we will encourage foreign businessmen to invest in real estate and permit them to engage in the business of selling houses to both foreigners and Chinese citizens. We will take full advantage of the preferential policy for Pudong granted by the central government and make use of foreign capital in the areas of finance, retail sales, and service trades. We will utilize overseas investment funds and strive to open new avenues to attract foreign capital. Efforts will continuously be made to improve sale services, raise efficiency, perfect management at existing Sino-foreign joint ventures, cooperative enterprises, and wholly foreign-owned enterprises, and improve the investment environment for foreign businessmen. This year we will further bring the superiority of the three development zones—namely, the Minhang Development Zone, the Caohejing Development Zone, and the Hongqiao Development Zone—into play; we will bring about further opening, better economic efficiency in those three development zones, and make them play a bigger role in helping to attract foreign capital to the municipality.

More efforts will be exerted to enhance economic cooperation and exchanges with other provinces and municipalities in order to bring about common prosperity.

## 2. We Will Carry Out Other Related Reform, Emphasizing Deepening Enterprise Reform

Deepening various reforms is a thorough approach to solving the deep-rooted problems that emerged in the course of Shanghai's economic development. Because the current macroenvironment for reform is very favorable to us, we should put more energy into reform, accelerate the pace of reform, help bring about a change in enterprises' operating mechanisms and the government's management mechanisms, and gradually devise a new system adapted to the development of a planned commodity economy. In carrying out this year's reform of the economic structure, we will stress in-depth enterprise reform and promote related reform in the areas of social protection, finance, commodity prices, and the housing system.

**Enterprise reform.** Trial reform in industrial enterprises should be carried out in depth and in breadth; and the scope of trial reform in enterprises should be enlarged. Reform of "independent management, the right to set

commodity prices, the right to hire employees, the right to distribute profits, the right to make investment decisions, and the right to open new business premises" will be promoted in commercial enterprises. We must respect the innovative spirit of enterprises. Various reform plans may be boldly tried out and constantly improved in practice as long as they are conducive to changing management mechanisms and to developing productive forces. We will continuously implement various policies and measures aimed at improving the operation of large and medium-sized state-run enterprises, perfect the contract responsibility system for enterprises, and support the mergers, the formation of business alliances, and the establishment of enterprise groups between professions and enterprises as long as their unions will complement each other and as long as they do not deviate from the Shanghai economic development strategy. We are determined to do a good job on the work of ordering poorly managed enterprises to suspend production, or to switch production to other products, or to merge with well-managed enterprises, or to close down. An enterprise bankruptcy experiment will be tried out in enterprises that have suffered from long periods of loss, in enterprises that have no hope of reversing their losses, and in enterprises whose liabilities exceed their assets. There will be a gradual introduction of a survival of the fittest system for enterprises. This year, we will also strive to score new progress in promoting Sino-foreign joint enterprises, cooperative enterprises, wholly foreign-owned enterprises; enlarge the scope of experimenting with the share-holding system; and accelerate the pace of reform in collectively owned enterprises both in urban and rural areas. New approaches will also be sought on establishing a management system for state-owned assets.

It is necessary to actively explore new ways for making job arrangements for the surplus labor force in the course of deepening enterprise reform. We will endeavor to provide new job opportunities through various channels, such as instituting a system of having the unemployed staff and workers wait for next job opportunities and making staff and workers at different posts rotate within enterprises, encouraging staff and workers to develop a vocation on their own, urging industrial enterprises to establish and run the tertiary industry, and promoting the individual economy as well as the private sector of the economy. Meanwhile, vigorous efforts will be made to strengthen vocational training, develop the market for labor service, promote a rational circulation of the labor force, and gradually form a new mechanism of employment which will enable society to accommodate the surplus labor force of enterprises and provide employees and enterprises with a two-way choice.

Government departments must be determined to eliminate unnecessary interference with the production and management of enterprises in accordance with the principle of separating the functions of government from those of enterprises, sincerely and wholeheartedly supporting enterprises' reform explorations, and enthusiastically helping them improve various reform measures.

**Reform of the social security system.** This is an important guarantee for enterprises to achieve breakthroughs in carrying out reform as well as the major point of our reform efforts to be made in this year and in the next. Our objective is to develop a social insurance undertaking through the promotion of supportive reforms in the fields of the system of having the unemployed staff and workers wait for next job opportunities, the system of offering pensions to aged retirees, and the system of providing medical care and, thereby, creating a favorable external environment for deepening enterprise reform. Reform in this area will affect many other fields of endeavor and is more difficult. We plan to draw up a program in the first half of this year, submit it to the Municipal People's Congress for examination and approval, have all the citizens discuss it in the second half of this year, implement it at selected localities on a trial basis within this year, and carry it out in an all-around way next year. Regarding insurance for the jobless waiting for employment, efforts will be made mainly to improve measures for raising and allocating insurance funds for enterprises' unemployed staff and workers waiting for next job opportunities; to draw up and improve laws and regulations governing laborer administration, their employment, and the jobless waiting for employment; and to promote sound development of such intermediary organizations as brokerage for those who are looking for a job. Regarding pensions for aged retirees, efforts will be made mainly to gradually establish a system that is conducive to promoting social and economic development, covers all the laborers in both urban and rural areas, has protective as well as incentive functions, and implements socialized management. A system of public accumulation funds that combines individual savings with common social contributions for the support of aged retirees will be instituted while the funds from common social contributions are retained. Regarding insurance for medical care, efforts will be made mainly to gradually carry out the measure of having medical fees for staff and workers reasonably borne by the state, collectives, and individuals under the prerequisite of guaranteeing the basic needs of staff and workers for medical care. A scientific, effective management mechanism will be formed at the same time. Various insurance management organizations will be established and improved to strengthen auditing and supervision in the course of reform implementation.

**Price reform.** It is necessary for us to carry out price reform to rationalize the relationship of prices, establish a rational price mechanism, and promote economic development. This year, in addition to readjusting the purchase and selling prices of grain in accordance with the unified plan drawn up by the state, we are going to deepen reform of the system of nonstaple food production and sales, reduce the scope for the state to fix prices on industrial consumer goods, increase the proportion of price fixing by enterprises on the basis of the relationship between supply and demand and in accordance with product quality, and use the price lever to bring about

market prosperity. Meanwhile, the standards for collecting fees for some public utilities projects will be appropriately increased in accordance with relevant state regulations. The magnitude of increases in retail prices will be set at around 9 percent for the year through control. We require that price reform be carried out steadily and meticulously. Meanwhile, we will continue to improve the living standards of our citizens through wage reform and price subsidies. We plan to make arrangements for all staff and workers in the municipality to receive an average effective pay rate that is higher than their cost of living index by 3 percentage points.

**Financial reform.** Financial reform is badly needed by us in our endeavors to develop a financial market, promote enterprise reform, and improve our socialist financial system. It is also an objective necessity for us to attract more funds from both at home and abroad, extend more credit, and promote Shanghai's economic and social development. This year, it is necessary for us to continue to introduce foreign-funded financial organizations and strive to achieve a breakthrough in insurance and other sectors. The quantity of various issued stocks will be increased and more stocks will be offered on the market. We will work successfully in issuing stocks as well as their transactions on the market by approving the establishment of a few security companies in the municipality, gradually increasing the number of members of security companies from other localities in the Shanghai Stock Exchange, permitting stock transactions of other localities that meet the requirements of being listed on the stock market in Shanghai, and increasing the capacity of the Shanghai stock market and expanding the area under its coverage. This year, we will gradually expand management of the ratios between assets and liabilities among the specialized banks in the New Pudong Area and, meanwhile, continue to offer new credit instruments and explore new channels for extending credit in a bid to invigorate the financial sector.

**Housing reform.** Housing reform is the only way to accelerate housing construction in Shanghai and improve the living conditions of its residents. We should improve their living standards by carrying out reform and by adopting different policies to meet the needs at various levels. We should accelerate the renovation of various types of dangerous houses, including slum-dwellings, by enhancing the initiative of all quarters and inviting more investments at home and abroad. Housing reform should go hand in hand with reform of the wage system in order to accelerate housing commercialization. To make preparations for the second-step housing reform next year, we should concentrate on drawing up a program for deepening the reform this year.

### 3. Accelerate Economic Development By Readjusting the Economic Structure and Raising Economic Results

The purpose of seizing the opportune time for self-development is to develop the economy. Under the

present circumstances in Shanghai, to accelerate economic development and strive for a growth rate with good economic results, we must develop high technology; pay attention to efficiency; be determined to make a strategic readjustment of the industrial setup in a planned way; improve the investment pattern; raise investment returns; and bring about a sustained, steady, and coordinated development of the national economy. We should strive to raise the proportion of tertiary industry to the national economy by drawing up an industrial policy and by readjusting the ratio between the three major industries. Among the three major industries, the first industry should strive to develop extra large-scale urban and suburban-oriented agricultural undertakings; the secondary industry should concentrate on building some large-scale key projects of influence so as to gradually form a pillar industry commensurate with Shanghai's status; and the tertiary industry should vigorously develop the banking, trading, real estate, tourism, and information consultation industries in order to make Shanghai a commercial center. We should readjust the distribution of the productive forces in order to tap the efficiency of differential land rent. We should raise efficiency in using funds by increasing production and practicing the economy, and by increasing revenues and cutting back expenditures. In line with this principle, we should strive for much headway this year by adopting sound measures and working hard.

**First, focus on long-term interest, pay attention to efficiency, and vigorously readjust the industrial setup.** This year, while continuing to pay attention to appropriate readjustment of the industrial setup, we should shift our attention to strategic readjustment and efficiency instead of the growth rate, to developing an export-oriented industry instead of an industry catering to domestic markets, and to technological advancement instead of material investment. The purpose of this is to reshape Shanghai's industry and new development advantages. To ensure the development of the ten important trades and projects for the manufacture of 50 categories of products—all key projects planned for the Eighth Five-Year Plan period—we should lose no time starting construction and should see to it that the projects are examined, approved, constructed, and put into production group by group. This year we should concentrate on the production of sedans and communication equipment, striving to push the annual output of Satana sedans to 60,000 this year, a 10 percent increase over last year; we should push the annual output of telephone switchboards to 1.43 million, doubling last year's figure. We should strengthen cooperation between central departments and local authorities, and should attach importance to the development of energy as well as raw and semifinished materials industries such as electric power and iron and steel industries. We should strive to accelerate the industrialization of new high technology by implementing the "Torch Project." In this way, we will be able to first industrialize and commercialize the scientific and technological achievements in the fields of

new materials, biological engineering, micro computers, and new technology. At the same time, we must be determined to readjust a number of trades and products that fail to meet the requirements of Shanghai's industrial policy and that have no room for future development.

We should further speed up the pace of technical transformation and the development of new products, should pay attention to the development of the quality of products, and should raise Shanghai's competitiveness on the domestic as well as the international markets. This year, the municipality plans to invest 10 billion yuan in technical transformation projects. Of these, 34 key projects which have a strategic impact on the readjustment of the municipality's industrial structure will be completed in 1992. The municipality also plans the trial production of 1,100 new products whose output value will reach 17 billion yuan, an increase of 10 percent over last year, and will continue to render policy support to projects which will be helpful to the readjustment of Shanghai's industrial structure. We will implement measures for promoting technological advancement that will help raise economic results and improve feasible policies, including increasing funds for expanding technological development, giving bonuses to technicians, and increasing loans for technical transformation and discount loans. At the same time, we must remember that "quality means Shanghai's lifeline," must strengthen quality control and quality supervision, and must crack down on the manufacture and marketing of fake and low-quality products in order to protect consumers' legal rights and interests.

Village and township industry is an important part of Shanghai's national economy. Under a unified plan, we should readjust its structure and strive to expand the production of high-quality products and raise the quality of marketable products. We should create the condition for village and township enterprises to expand development by making use of their strong points, entering into cooperation with big industries, establishing links with foreign trade enterprises, and establishing joint ventures and cooperative enterprises with foreign firms.

**Second, centering on commerce, efforts should be made to quicken the pace of tertiary industry development.** Increasing the proportion of tertiary industry in our national economy is a pressing demand for bringing the superiority of Shanghai port into play and for enhancing the comprehensive role of a key city. It is necessary to further adjust our policies and change the operating mechanism, to improve external ties and internal links, speed up infrastructure construction, and to promote development of the tertiary industry.

To develop Shanghai's commerce, on the one hand we should intensify reform of our circulation system, further bring into play the role of wholesale markets, actively create conditions for setting up large-scale trade fairs and markets for means of production and consumer

products across the country, and attract foreign businessmen to operate their business in Shanghai while making efforts to develop various types of transregional economic cooperation. On the other hand, we must take advantage of the favorable opportunity of massive urban construction to accelerate the construction of commercial facilities, giving priority to the transformation of the commercial streets along Nanjing Road and Huaihai Road while further developing the commercial facilities along Shichuan Northern Road, Yuyuan bazaar, Xujiuhui, Xinkezhan and along Pudong's Zhangyang Road.

On the premise of subjecting itself to state macrocontrol, the finance industry should actively develop and expand its channels for raising funds, enhance its capital returns, and bring into full play the role of finance in advancing Shanghai's economy and Pudong's development. Efforts should be made to make full use of the land rent of various grades in order to expand massive leasing of land and develop various types of housing business. It is necessary for the tourism industry to comprehensively tap tourism resources, organize activities in conjunction with "Visit China Year and Jiangsu-Zhejiang-Shanghai Tourist Festival," and strive to bring extensive growth in foreign exchange from tourism. The information and consultancy industry should adapt to the needs of modern economic development, further improve its information service network, and push forward toward industrialization of information and consultancy business.

**Third, we should earnestly implement the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee, and should further strengthen agriculture and rural work so as to lay a foundation for modernized farming.** Agriculture has a bearing on economic and social stability. We must continuously adhere to and perfect the principles of "integrating urban and rural areas into an organic whole," "standing on two foot-holds," "coordinated development of the three industries," and "constructing four bases;" proceeding practically from the suburbs of especially large cities, we should speed up the economic development of suburban areas and raise the standards of modernized farming with a view to gradually developing agriculture with quality, high efficiency and high yields. The major tasks for the current year are as follows:

First, we will fully exploit the role of agrotechnology, promote a number of sound scientific and technological achievements, vigorously expand downstream processing projects for agricultural and sideline products, and develop brand-name, special, high-quality, and new product varieties. We will also formulate and implement plans for invigorating agriculture through science and education and move gradually to develop agriculture by applying scientific and technological advances. Second, we will intensify the construction of farmland irrigation and water conservancy projects designed primarily to conserve water and improve soil. We will launch a number of flood-control projects in the Shanghai section of the Taipu He before the arrival of this year's flood

season. Additionally, we will accelerate the transformation of low- and medium-yield farmland as part of the efforts to gradually form a production system aimed at ensuring high and stable agricultural output. Third, we will maintain the household contract responsibility system with remuneration linked to output, constantly improve the dual management system that combines household and collective operations, accelerate the development of an agricultural service network, strengthen the collective sector of the economy, and help peasants achieve common prosperity. We will continue our sound management of state-run farms, develop farmland reclamation projects, and give full rein to the exemplary roles of such projects in the drive to professionalize, commercialize, and modernize agricultural production as well as in urban construction. Fourth, we will take active but prudent measures to restructure our planting and breeding industries in accordance with market demand, expand downstream processing projects for agricultural and sideline products, develop agriculture in such a way as to earn foreign exchange, and expand the production of agricultural and sideline products that sell briskly on both the domestic and international markets. Fifth, we plan to complete all aspects of work in drafting county development programs, revise and improve village and town development plans, launch rural health care services, and improve the ecological environment. We will complete water improvement projects in 394 villages as part of our drive to improve the quality of drinking water for more than 500,000 people.

All economic sectors in the municipality will provide assistance to agriculture and to overall pilot reform projects in suburban counties. Municipal and county authorities will further define their functions so as to expand the authority of county governments in economic development and overall management of social affairs. In serving the general interests of rejuvenating Shanghai, all counties should proceed from reality, exploit their strengths, expand their peculiar functions, and find new ways of gearing up economic development.

#### **4. Efforts Will Be Made To Work Out Overall Plans, Strengthen Coordination, and Continue the Three Major Practical Ventures**

The three major practical ventures pertaining to communications, housing, and the supply of nonstaple food-stuffs are aimed at satisfying the urgent need for improving the people's living standards and the objective demand for fueling economic and social development. The following are this year's principal tasks:

**Construction of transport facilities and roads**—We will complete by National Day a comprehensive project for rebuilding the Waitan area and the second-stage project for widening Wusong Road. This will help form a corridor stretching from the Jiangwan pentagon to Waitan. We will also complete the roofing project for the Huaihai Road subway station as well as track-laying work on supplementary lines so that the entire subway

line along Huaihai Road will open to traffic and the shops there will resume operations by next year's Spring Festival. We will complete the main tower and principal part of Yangpu Bridge, the former by the end of June and the latter by the end of this year. This will help lay the foundation for connecting and opening the bridge to traffic by the end of next June. We will proceed according to plan on projects related to the elevated inner ring road and the subway. We will also pay attention and provide assistance to the construction of civil aviation facilities, railways, ports, and highways. We need to adopt the strategy of "carrying out projects intensively, swiftly, and systematically" and to exercise strong management in order to ensure project quality and accelerate construction.

**Housing construction**—We have set relevant goals for this year. 1) We will strive to overfulfill the task of building houses with a total floor space of 5 million square meters, develop requisitioned land for various purposes, and acquire an additional 13,000 mu of land, in order to facilitate sustained development in the housing construction sector during the entire "Eighth Five-Year Plan." 2) We will settle, by the end of this year, all families that are plagued by special housing problems and were allocated a per capita living space of 2.5 square meters or less before the end of 1990. 3) We will accelerate the reconstruction of hazardous houses, shanties, and shacks, aiming to rebuild 800,000 square meters of such housing within this year. Shanghai faces an extremely formidable task in rebuilding its old districts during the 1990s. We need to follow the principle of "relying mainly on the municipal government, coordinating the efforts of municipal and local governments, and holding each level of government responsible." The municipal government will take overall charge, work out general plans, and initiate supplementary municipal projects, while district governments will formulate detailed plans for reconstruction, assist in relocating local residents, and take specific actions to implement relevant plans. Moreover, we will make full use of different land yields in accordance with the needs for readjusting the industrial structure and urban development plans. By opening up wider to other parts of the country and to the outside world, we will encourage district authorities, departments, residents, the real estate industry, other provinces and municipalities, and foreign businesses to quicken the pace of rebuilding old districts in a reformist spirit.

**The supply of nonstaple foodstuffs**—After having substantially expanded our production capacity, we will focus on increasing food variety, improving food quality, and raising the efficiency of large-scale food production, in order to satisfy the diverse demands of residents under new circumstances where the prices of vegetables and nonstaple foodstuffs have been liberalized. During our production processes, we will cater to the market, increase the variety of readily salable products, introduce and grow 5,000 mu of new strains of vegetables to

guard against shortages, actively develop new milk varieties, and continue to expand the production of packaged meat and poultry and clean vegetables that are available in standard weights. We will improve our support facilities for breeding fine strains and producing fodder, build farms for raising lean pigs, and construct special breeding farms. Moreover, we will exercise more effective management of bases for producing nonstaple foodstuffs; actively develop economic associations that engage in integrated production, supply, and marketing operations; and improve economic results in the supply of nonstaple foodstuffs. In the area of distribution, we will strengthen management over vegetable markets in various districts, study new ways of reforming such markets, and improve their economic performance. In an effort to gradually form a network of markets for agricultural and sideline products that engage primarily in wholesale business, we will build various types of markets for farm produce, two large wholesale markets for agricultural and sideline products in Jiangqiao and Pudong, and a number of primary wholesale markets.

This year, we will implement the principles of "alleviating and solving outstanding problems, developing community services, making things convenient for the people, and doing practical work for people at their doorsteps." We will do 50 things under 12 practical work projects. In addition to such projects as transportation, housing, gas, postal and telecommunications services, and improvement of the environment, these practical things include setting up community service coordination organizations—community service centers—on 50 percent of the municipality's streets. Community service teams of volunteers will be organized under 1,000 resident committees to provide services and mutual aid for people, and give various kinds of help to the aged, handicapped, dependents of armymen and martyrs, and other residents.

In urban management, it is necessary to do our work well in three aspects: First, measures to combat natural disasters should be conscientiously implemented, and a good job should be done in making preparations against flooding, typhoons, and frostbite. Second, in view of the new situation in which urban construction is being carried out in the downtown area, unclogging traffic jams should be done as the most important task in traffic control. In coordination with urban construction, it is necessary to use vehicles in an organized way in order to reduce traffic jams to a minimum. At the same time, close attention should be paid to traffic safety. Third, public utilities departments should tap their potential to meet the needs of society; they should implement measures to make things convenient for people and improve their services. In addition, attention should also be paid to strengthening the control of the floating population.

#### 5. Make Vigorous Efforts to Develop Science, Technology, and Education Around the Task of Economic Construction

We should make full use of Shanghai's favorable conditions in qualified personnel, technology, and managerial expertise. This is the key to accelerating economic construction. We should resolutely rely on science, technology, and education; we should enhance our awareness that "science and technology constitute the primary productive force" and that "education is a project of vital and lasting importance"; and we should promote the development of science, technology, and education.

In scientific and technological work, we should set high aims and lofty aspirations, build Shanghai into the science and technology center of the country, and gain a place in the world's high science and technology. We should create an atmosphere and environment for people to attach importance to science and technology, support their development, and rely on their progress. First, we should strengthen our leadership; the number one and number two administrative leaders should pay close attention to the "primary productive force," organize personnel to formulate and implement measures to bring about scientific and technological progress, and coordinate efforts to solve major problems in integrating science and technology with the economy. Every year, they should pay special attention to several key projects bearing on the overall situation, and inspect and supervise the application of scientific and technological achievements. Second, we should increase our investment in science and technology so that the absolute and relative value of Shanghai's investment in this regard will rank first in the country. Toward the end of the Eighth Five-Year Plan, the municipal government's expenditure for major scientific research projects, intermediate tests, and trial-manufacture of new products will top 100 million yuan. At the same time, a system of investment in science and technology will be instituted under which funds for this purpose will be raised through various channels and at various levels, such as government appropriations, bank loans, and individually raised funds. Third, We should step up our work to tackle key and difficult scientific and technological problems in order to make first-rate scientific and technological achievements. We should organize personnel to tackle key and difficult problems in the readjustment of the industrial structure, the updating and upgrading of industrial products, major urban construction projects, agricultural modernization, and basic research. We should scale new heights in every field.

Fourth, in speeding up the application of new and high technology in industry and achieving economic results, we should make ourselves rank first in the country. We should continue to deepen the reform of the science and technology management system, improve various reform policies, and set mechanisms to quickly transform science and technology into a productive force. We should implement the "Spark Program" and the "Torch Program" and accelerate the development of a technology market. We should popularize and apply scientific and technological achievements which are very useful, and can achieve quick and good results. We should speed up

the application of new and high technology in industry, pay special attention to developing telecommunications technology, bioengineering, software technology, and laser technology, and achieve actual results. We should experiment on "developing counties and trade through the application of science and technology." We should expand the fields in which we apply science and technology. We should implement the "Qi Mingxing Program" to train a generation of leaders in science and technology in order to increase our strength in developing science and technology in the future.

In educational work, we must firmly implement the principle that students should develop in an all-around way—morally, intellectually, and physically—and steadily improve the quality of instruction in order to meet the needs of reform, opening up, and economic development. We should continue to strengthen and improve moral education, develop and improve adult education, and arouse students' patriotism, and their sense of national respect and social responsibility. In carrying out educational reform, we should strive to whip up the enthusiasm of teachers and students, improve quality and increase efficiency in running schools, and develop a new system which will be conducive to serving the work of socialist modernization. This year we should lay stress on carrying out the overall reform of education at selected schools; raising the quality of teaching; improving the remuneration of teachers; speeding up the pace of the enrollment system reform for students of junior middle schools; implementing reform of teaching materials at selected schools; effectively reducing the heavy burden of students in conducting their studies; and changing the practice of overemphasizing preparations for entrance examinations and paying more attention to the quality of education. Schools of higher learning should actively accept outstanding young people and models with practical experience, train students for specific goals, and reform their enrollment system for paying students. We should continue to carry out the comprehensive reform of education in rural areas and experiment in the reform of vocational education at selected schools in line with the reform of enterprises. We should study and formulate plans for the layout of schools of higher learning and technical secondary schools, and for the adjustment of subjects of study. Schools of higher learning should stabilize the size of student bodies and lay stress on important and new subjects. We should give full play to talented people, and advanced science and technology of schools of higher learning, and speed up the development of scientific and technological industries of those schools. We should further strengthen vocational, technical, and adult education to raise the quality of workers. We should rely on the strength of various districts and counties to solve the problem of peak enrollment of students of middle and primary schools.

In public health work, we should strive to turn Shanghai into a national class sanitation city and further strengthen supervision and management of environmental sanitation. We should continue to implement the

policy of laying stress on prevention of diseases and attach importance to the work of preventing contagious intestinal diseases. We should deepen the overall reform of hospitals, improve medical ethics, and raise the quality of medical services. We should improve hospitalization and the medical care system for students of middle and primary schools and kindergartens, and also consolidate and develop the rural cooperative medical care system. We should vigorously develop mass sports activities, seriously and properly make preparations for the first East Asia Sports Games sponsored by Shanghai to be held next year, and promote the further development of sports and physical culture in Shanghai.

Governments at various levels should deeply understand and give full play to the important role of intellectuals in reform, opening up, and economic construction. We should truly foster the good custom of respecting knowledge and capable people in society. We should effectively do practical things for intellectuals and create the necessary working and living conditions for them. We should give big awards to scientific and technological personnel who have made outstanding contributions. We should formulate a policy to encourage outstanding people and attract more students in foreign countries to return home and take part in various construction undertakings in Shanghai.

Fellow deputies: Family planning and environmental protection are the two basic national policies of our country. Through many years of hard work, the natural growth rate of the population in Shanghai is now under effective control. This year, we should lay stress on promoting good prenatal care and sound practice in bringing up children, and continue to do a good job in publicizing and implementing family planning work. Meanwhile, we should continue to strictly control the natural growth of the population. In environmental protection work, we should follow the principle of "having all departments cooperate in the work" and continue to grasp the comprehensive improvement of seriously polluted places in line with the adjustment of the industrial structure. We should also further control noise. The second phase water diversion project in the upper reaches of the Huangpu Jiang has been included in this year's plan and will start soon. Meanwhile, we should pay attention to protecting sources of drinking water, and strengthen efforts to reduce pollution of industrial enterprises and animal husbandry work. We should also do a good job in greening the city so as to constantly improve the city's ecological and living environment.

### III. Step up Efforts to Build Socialist Spiritual Civilization, Strengthen Socialist Democracy and the Legal System, and Improve Government Work to Promote Reform, Opening to the Outside World, and Economic Construction

Under the new situation of accelerating economic construction, reform, and opening to the outside world, it is necessary for us to attach even greater importance to

building socialist spiritual civilization; strengthening socialist democracy and the legal system; and making efforts to improve our government work in a bid to create a favorable social and political environment for implementation of reform and the open policy, and for economic development.

#### 1. Step up Efforts to Build the Socialist Spiritual Civilization

One important task confronting us in our endeavor to build spiritual civilization this year is to mobilize all the people of the municipality to be mentally prepared for accelerating reform, opening to the outside world, and economic construction.

It is necessary for us to conduct education among all the people of the municipality in the present situation and tasks by closely integrating the realities of Shanghai's endeavor to accelerate reform and opening to the outside world with such education in order that we may enable them to have a clear understanding of the present situation; be aware of our tasks; learn from the advanced collectives and individuals; and arouse their working enthusiasm. The move is also intended to arouse the enthusiasm and initiative of the vast numbers of cadres and the masses for promoting the cause of socialism, strengthen their sense of historical responsibility and urgency, and enhance their consciousness of making contributions to the development and regeneration of Shanghai at their respective posts. We will vigorously publicize advanced figures—who have selflessly dedicated themselves and have kept forging ahead like pioneers in the course of our implementation of reform and the open policy, and in the process of our efforts to promote economic construction—as well as their advanced deeds in order that their noble thoughts may become a tremendous spiritual force that inspires all the people of the municipality and pushes the work forward in all fields of endeavor. We will carry out widespread, deep-reaching propaganda on the necessity to deepen reform and open our doors to the outside world wider, and advocate the spirit of being the master of one's own affairs among all the people of the municipality to encourage them to have the courage to innovate and take responsibility; to have the cardinal principles in mind and take the overall situation into account; and understand, support, and take part in reform.

We will continue to unfold the activities of "being a civilized citizen, creating a civilized unit, and building a civilized city"; step up efforts to promote moral ethics in family, various trades and professions, and society; and raise the level of ideology and morality throughout society. In particular, it is necessary for us to help the vast numbers of staff and workers further foster a professional ideal, strengthen their sense of professional responsibility, and abide by the criteria of professional ethics in a bid to make the mental attitude and professional attainments of the people of Shanghai in the 1990s meet the requirements of the drive to carry out reform

and the open policy, as well as the needs for the development of a large, modernized international city.

We must concentrate efforts on producing important nourishment for the mind in our cultural work. We will produce at least one or two good motion pictures, one or two good television serials, one or two good stage plays, a number of good books, and a number of good articles which will influence audiences and the reading public nationwide by the end of the year. It is necessary for the press and publications administration and the department in charge of radio, film, and television to take the initiative to work successfully in carrying out propaganda, and providing guidance for public opinion in coordination with our efforts to carry out economic construction and promote development of Pudong as well as its opening to the outside world. We will continue to wage the struggle to "wipe out pornography" and further purify the books and audio and video products market. We must be guided by Marxism in our study of social sciences so that we may integrate realities with our focal study of the new situation and new problems that have cropped up in the course of our implementation of reform and the open policy in Shanghai and, in particular, in the course of our efforts to promote the development of Pudong and run large and medium-sized state enterprises successfully; explore new ways for development of particularly large socialist cities; and provide a scientific basis for the government to decide on its policies. It is necessary for us to increase input to expedite the construction of cultural facilities. We must pay close attention to the progress of preliminary preparatory work as well as construction of such projects as the new television tower, the new building of the Shanghai Library, and the new building of the Shanghai Museum and, meanwhile, continue to make proper arrangements for construction of the cultural facilities that form a complete set in the newly built residential area project.

## 2. Strengthen Socialist Democracy and the Legal System

Striving for the development and regeneration of Shanghai is the common undertaking of all the people in the municipality. To achieve this objective, we must fully encourage socialist democracy, respect the pioneering spirit of the masses, and bring the initiative of all quarters into play. It is necessary for the government at all levels to gradually establish and improve a system and procedure for scientific, democratic decisionmaking. When dealing with new situations and new problems that keep cropping up, and when taking new measures to accelerate reform, opening to the outside world, and economic construction, they must accept supervision and examination by the people's congresses at their corresponding levels more conscientiously; listen attentively to the views of CPPCC committees at all levels, all democratic parties, and mass organizations, as well as the suggestions that they make; give play to the role of the trade unions, Communist Youth League, and the women's federation as the bridge and tie between the government and the masses; improve such masses'

autonomous organizations as the neighborhood committees and the villagers' committees; and promote democracy in handling government and political affairs at the grass-roots units. They must earnestly implement the Party's policies on nationalities and religious affairs; continue to work successfully in handling Overseas Chinese and Taiwan affairs; support the army's reform and various buildup efforts; succeed in carrying out militia work; improve education in national defense; enhance the people's awareness of national defense; and continue to conduct deep-reaching activities of encouraging civilians to support the army and give preferential treatment to families of revolutionary armymen and martyrs, and encourage the army to support the government and cherish the people in order to further strengthen the relationship between the army and the people, and between the army and the government.

It is necessary to further strengthen the socialist legal system by amending and improving various laws, rules, and regulations in good time in the light of the actual conditions of implementation of reform and the open policy, as well as economic development, and in accordance with legal procedures. We must decide on policies and exercise administration and control in accordance with the law; effectively expand the contingents of administrative and law-enforcement personnel, and conscientiously supervise administration and law-enforcement; do a good job in reconstructing the administration; protect the legitimate rights and interests of citizens in accordance with the law; improve mediation for the people; adopt a responsible attitude to seriously treat letters the people send in and the complaints they make when they call; and continue to pay attention to doing a good job of publicizing and conducting education in the legal system, so as to enable the broad masses of citizens and, in particular, cadres and law-enforcing personnel at all levels to acquire a better concept of the legal system and enhance their consciousness of handling matters in accordance with the law.

We will persevere in attaching equal importance to promoting reform and opening to the outside world and, at the same time, cracking down on various criminal activities; continue to mobilize and rely on forces in all fields of endeavor in society; give play to the role of district, county and neighborhood, township and town, and residents' (villagers') organizations; step up efforts to promote the development of preventative mechanisms; promote the drive to take comprehensive measures to maintain public order; sternly crack down on criminal offenses and economic crimes in accordance with the law; wage deep-reaching, special-case struggles against robbers, thieves, and criminals that flee; and to "eliminate the six evils [prostitution, pornography, abduction and trading of women and children, drugtrafficking, gambling, and profiteering from superstition]"; and resolutely investigate and ban all abominable phenomena that corrupt social values to maintain social stability.

## 3. Strengthen the Building of an Effective Government

The new situation in reform and opening to the outside world calls for governments at all levels to strengthen their self-construction; to change their concepts, functions, and work styles; to build a clean and hard working government; and to continually upgrade management standards and work efficiency.

Changing concepts is currently a prerequisite for accelerating the pace of Shanghai's revitalization. Departments and leading cadres of the government at all levels must take the lead in the emancipation of the mind; and must be bold to practice, explore, and shoulder risks based on Shanghai's actual conditions. It is necessary to change from self-restriction to taking bold ventures to promote reform. It is necessary to change from isolation to opening up boldly, and genuinely playing the "Chinese cards" and "world cards." It is necessary to change from holding onto the benefits of departments to conscientiously serving the overall situation, and putting in concerted efforts for the effective management of Shanghai's affairs. It is necessary to change from the negative and indecisive wait and see attitude to taking positive actions to solve difficulties and problems in various undertakings with the spirit of reform. It is necessary to do creative work, and explore and advance continuously.

The first step in changing concepts is to simplify the administration and delegate authority. As an exceptionally large city of over 13 million people, there are a multitude of tasks to be done in economic construction and urban management in Shanghai. It has been proved that the model and method of the highly centralized management of the product economy system no longer fits the new situation of a rapid development in the planned commodity economy system. The trend of reform is now geared toward the two-tier government and two-tier administration of the municipality, and the district and county. This is to improve the work of both levels and to bring the role of districts and counties into full play. The municipal government has determined to further delegate authority on finance and tax, urban construction, foreign trade, foreign investment, and labor and personnel to districts and counties. Based on their characteristics, all districts and counties must exploit their advantages to implement bold ventures and take a bigger step in utilizing foreign funds, in developing trade, and in transforming old regions after the simplification of the administration and the delegation of authority. Municipal government departments must assist these districts and counties so that they exercise their authority effectively; raise their capability in comprehensive administration; as well as strengthen the overall regulation, supervision, guidance, and overall planning and coordination on major issues of overall importance. The government at all levels must, in accordance with the principle of separating the functions of government and enterprises, gradually change from the practice of controlling enterprises directly to that of indirect control and regulation via economic and legal

means. While simplifying the administration and delegating authority, educational training of cadres will be strengthened and experiments in the civil service system will be actively carried out.

To change the work style, it is necessary to deepen the implementation of various policies and measures, and to take specific action on various reform ideologies. We must oppose empty talk and do solid work, promote a practical work style, and strictly avoid formalism. We must overcome the current phenomenon of having numerous meetings, documents, entertainment, and celebrations, as well as engaging in empty talk. We must overcome the sloppy style of holding meetings without adopting resolutions, adopting resolutions without implementing them, and implementing resolutions without any enthusiasm. It is necessary to truly deepen practical work, earnestly carry out investigation and study, be good at seizing typical cases, summarize experiences, and steadily promote Shanghai's reform, opening, and economic construction.

Government employees, particularly leading cadres, must be honest and impartial, diligent and efficient; and aware of current policies and the importance of reform and opening to the outside world, the interests of the whole, and the needs of the masses. We must subordinate all our work to economic construction which is the central task, to the needs of revitalizing Shanghai, and to the fundamental interests of the people; and we must serve the people sincerely. The leading cadres at all levels should exemplarily abide by laws, rules and regulations, pay attention to supervising and inspecting the administrative organs and their personnel with respect to law and discipline enforcement, seriously investigate and handle law-violation cases and grave acts of bureaucracy and neglect of duty, and punish criminals, including economic criminals, according to the law. In correcting departmental irregularities, stress should be put on the government's law enforcement departments. Special efforts should be made to redress conspicuous problems about which the people complain strongly. We should conduct both open and secret investigations on our own initiative and encourage the people to report any crimes and irregularities simultaneously. We should integrate the work of correcting irregularities with the work of performing actual deeds for the people. We should stress practical results, instead of practicing formalism.

Deputies: Shanghai today is at a crucial time of rejuvenation and development. For many years, Shanghai people have longed for the emergence of a prosperous new Shanghai, and the revolutionaries of the older generation have also earnestly expected Shanghai to play a greater role in national economic development. Today, profound changes are taking place on this land of more than 6,000 square km. Shanghai in the past was renowned as the largest city in East Asia, with highrise buildings of various architectural styles. Tomorrow, new realities will be created, including the lofty "twin bridges" spanning the Huangpu Jiang, the towering "Oriental Pearl", and the riverside boulevard of the

1990s on the east bank, as well as the renovated new Bund and more prosperous commercial centers on the west bank. The blueprint has been drawn, and the groundwork is being laid. We will usher in the rejuvenation of Shanghai. Let us work hard with one heart and one mind under the leadership of the Party Central Committee, the State Council, and the municipal party committee, enhance vigor, create the future of Shanghai with our wisdom and efforts; and greet the 14th CPC National Congress with new achievements in reform and opening to the outside world.

### **Yunnan Government Work Report**

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[“Government Work Report submitted to the Fifth Session of the Seventh Yunnan Provincial People’s Congress by provincial Governor He Zhiqiang on 8 March 1992”]

[Text] Fellow deputies:

On behalf of the provincial people’s government, I report to this session on the 10-Year Program and the Eighth Five-Year Plan for Yunnan Province’s National Economic and Social Development and ask all deputies to examine and discuss it, together with the “10-Year Program and Eighth Five-Year Plan (Draft) for Yunnan Province’s National Economic and Social Development.”

#### **I. Ten Years’ Achievements Lay Good Foundations for Development in 1990s**

The period from 1981 to 1990 was a period of comparatively rapid economic and social development in our province. Under the guidance of the line, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee, and under the leadership of the CPC Central Committee, State Council, and Yunnan Provincial CPC Committee, the people of all nationalities united as one, struggled hard, created a completely new situation in socialist modernization, and scored tremendously inspiring achievements. The major quotas for Yunnan Province’s “Sixth and Seventh Five-Year Plans,” approved by the fifth and sixth provincial people’s congresses, were fulfilled or overfulfilled and the economic development, social progress, nationality solidarity, and border stability throughout the province laid a good foundation for further economic and social development in the 1990s.

—*Unremitting, steady growth of national economy.* The entire provincial GNP (at prices for the respective years) increased from 8.43 to 39.17 billion yuan, an increase of 170 percent [figures as published] and an annual average progressive increase of 10.6 percent (the range of increase and speed of progressive increase calculated in terms of comparable items; similarly hereafter); the gross industrial and agricultural output value (in 1980 constant prices) increased from 12 to 30.055 billion yuan, an increase of 160 percent and an annual average progressive increase of

10 percent; national income increased from 7.49 billion yuan to 35.18 billion yuan, an increase of 165 percent [figures as published] and an annual average progressive increase of 10.3 percent; the objective of doubling the gross output value was achieved two to three years ahead of schedule and the speed of increase exceeded the average level of increase during the preceding 28 years. Output of major industrial and agricultural products increased at different rates: Grain increased by 22.5 percent; flue-cured tobacco by 320 percent; sugarcane by 260 percent; tea by 150 percent; rubber by 260 percent; basically self-sufficient in meat supply; steel increased by 73 percent, raw coal by 89.7 percent; cement by 190 percent; electricity output by 120 percent; 10 kinds of nonferrous metals by 120 percent; chemical fertilizers by 94.6 percent; and the volume of transported goods increased by some 700 percent, of which the volume of materials exported by rail increased by 84.6 percent.

—*Important proportionate relationships of national economy tending toward coordination.* During the 10 years, the proportionate relationships between agriculture and light and heavy industries were readjusted, from 42.4:26.0:31.6 to 38.0:32.5:29.5. While the basic industries, including agriculture, energy, communications, and infrastructural facilities, were continuously strengthened, light industry developed relatively quickly. This both increased the supply of essential products in society and accumulated more funds for economic and social development. The economic sector under ownership by the whole people and that under collective ownership steadily developed and the proportion of the industrial output value of the economic sector under collective ownership in the gross industrial output value rose from 19.8 percent to 24.1 percent; industries under individual ownership and other ownership also developed to a certain extent. The gross income of township and town enterprises increased from 600 million yuan to 8.05 billion yuan, an increase of over 1,200 percent.

—*Key construction projects, technical transformation stepped up.* During the 10 years, investment in the fixed assets throughout the province was 45.9 billion yuan and 30,421 projects, of which 44 were large and medium capital construction projects, were completed and put into operation, forming a large amount of new productive capacity. Xiaolongtan Power Plant, Lubuge Power Station, electrification of the Guiyang-Kunming Railroad, Anshi Highway, Mangshi Airport, and Jinghong Airport were completed and were of important significance for further improvement of the backward state of our province’s communications and energy and strengthening the staying power of development.

—*Relatively great development of the commodity economy.* The masses’ consciousness about commodities was heightened, products produced and allocated according to a mandatory plan were greatly reduced, and the scope of market regulation was expanded.

Commercial, catering, and service trades and retail organs developed from 43,000 units to 297,000 units and the number of workers increased from 163,000 to 567,000, increases of 590 and 250 percent respectively. The total volume of retail sales increased from 4.31 billion yuan to 16.53 billion yuan and the agricultural commodity rate increased from 38.8 to 52.7 percent.

—*Comparatively good financial, monetary situation.* From 1980 to 1990, financial revenue increased from 1,164 to 7,743 million yuan, an annual average progressive increase of 20.9 percent, and the proportion of financial revenue in the national income increased from 15.5 to 22 percent; expenditures increased from 1.73 to 9.08 billion yuan, an annual average progressive increase of 18 percent. During the 10 years, deposits and loans in the province's banking institutions increased by 630 and 680 percent respectively. Bonds and debentures issued, and bonds and debentures issued on behalf of enterprises, totaled over 2.6 billion yuan, supporting economic development. The insurance business expanded annually. The value of all categories of property insured totaled almost 200 billion yuan and the insurance trade played an increasingly important part in social and economic life.

—*New developments in education, scientific, cultural, public health work.* During the 10 years, the rate of children of school age attending primary school was raised from 87.2 percent to 94.6 percent; 63 percent of counties fundamentally made primary education universal; technical secondary schools increased from 100 to 138; and institutions of higher learning increased from 18 to 26. Schools of all grades and categories gradually improved their conditions for teaching annually. In the 10 years, 166,000 students in technical secondary schools and 80,000 undergraduates were trained, vocational and adult education in particular developed quickly, and all fronts were provided with a large number of practical technicians. Science and technology made important contributions to economic construction. During the 10 years, 1,439 state prizes were won for achievements in scientific research, scientific and technological progress, and popularization of scientific and technological results. Of these, one was a special-grade prize and 22 were first-grade prizes. Scientists and technicians increased from some 200,000 to over 600,000. The number of public health technicians and hospital beds for every 1,000 people throughout the province increased by 12.5 and 7.4 percent respectively and the incidence and death rate of acute infectious diseases dropped successively and steadily. Mass cultural activities were vigorously launched and a large number of outstanding literature and art works reflecting the style and features of the times and with nationality characteristics were created. Film projection units in the province increased from 3,166 to 7,560; radio stations increased from four to 12; radio transmission stations and relay stations increased from 30 to 40; television

stations increased from one to 11; television transmission stations and relay stations increased from 58 to 2,081; and every township basically had a satellite ground terminal. The radio coverage rate was raised from 30 to 68 percent and the television coverage rate from 17 to 65 percent of the population. New results were also achieved in press and publishing, sports, and family planning.

—*Strides made in opening to outside world.* Our province has established and developed economic and trade relations with some 100 countries and regions in the world. During the 10 years, the import and export total rose from \$110 million to \$550 million, an increase of 400 percent. Of this, the total amount of exports increased from \$96 million to \$434 million, an increase of 350 percent. Border trade developed quickly and the total amount of imports and exports increased by 3760 percent. Foreign capital of \$350 million was directly utilized and foreign exchange loans of \$320 million from the Bank of China were utilized. A start was made in contracting for foreign projects and in labor service cooperation. Tourism developed relatively quickly. Tourists to Yunnan from abroad increased from 20,000 to 140,000 and tourism income in terms of foreign exchange certificates increased from 1.75 to 77.58 million yuan. New achievements were also scored in economic and technical cooperation and exchanges with fraternal provinces, municipalities, and regions at home.

—*Apparent improvement in people's living standards.* During the 10 years, the scope of urban labor employment was enhanced from 49.4 to 54.1 percent and the number of people supported by each employee dropped from 2.03 to 1.85. The annual per capita wages of the workers of the whole province increased from 760 to 2,130 yuan, an increase of 180 percent; the per capita net income of the peasants increased from 148 yuan to 490 yuan, an increase of 230 percent; the per capita housing area for urban residents increased from 4.9 to 7.3 square meters and that of the rural residents from 9 square meters to 17 square meters; the urban and rural residents' annual per capita standards of consumption increased from 173 to 616 yuan, allowing for price rises, an increase of 65.1 percent and showing an annual average increase of 5.1 percent; per capita consumption of food, including meat, oil, eggs, sugar, and milk, increased by a wide margin and per capita consumption of durable consumer goods increased, doubled, and redoubled; and the balance of urban and rural residents' savings deposits increased from 680 million yuan to 11.79 billion yuan, an increase of 1,630 percent.

—*Remarkable achievements in building of socialist spiritual civilization.* The province universally conducted education in adhering to the four cardinal principles and combating bourgeois liberalization; education in patriotism, socialism, collectivism, and professional ethics; and activities of "five stresses, four beauties, three loves" [stress on decorum, courtesy, sanitation,

order, and morality; beauty of mind, language, behavior, and environment; love for the motherland, socialism, and the Communist Party] and made joint efforts to build civilization and create civilized units. The provincial government participated in formulating and promulgating a number of laws and regulations and enhanced its consciousness for administration according to law. Some 20 million people throughout the province took part in making legal education universal and the systems of lawyers and notarization were gradually perfected. Social order was comprehensively tidied up; special struggles of "sternly cracking down on crimes," "eliminating pornography," and "wiping out the six vices" were carried out; smooth progress in social stability, reform and opening up, and modernization was guaranteed; the building of a clean and honest government was stepped up; a struggle against graft, bribery, and corruption was carried out; and a large number of cases of violation of law and discipline were investigated and dealt with. The establishment of the work style and system of the government organs at all levels was further strengthened.

The 1980s were 10 years when all fronts in our province produced great fruits and when the productive forces developed most quickly, the urban and rural outlook changed most greatly, and the people obtained most material benefit. The abovementioned achievements were the results of: The concerted efforts of the workers, peasants, intellectuals, cadres, and officers and men of the Chinese People's Liberation Army [PLA] and People's Armed Police units stationed in Yunnan; a large amount of effective work done by all democratic parties and people's organizations; and contributions from Hong Kong, Macao, and Taiwan compatriots and Overseas Chinese abroad toward the rejuvenation of Yunnan. On behalf of the Yunnan Provincial People's Government, I hereby express heartfelt thanks to the people of all nationalities and personalities of various circles in society throughout the province!

Fellow deputies, the achievements we scored in the 1980s fully prove that the line, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee are completely correct. The most fundamental of the experiences summed up during the 10 years is that in light of the actual situation in Yunnan, we seriously implement the party's basic line at the initial stage of socialism and unwaveringly take the socialist road with Chinese characteristics. Practice proves that only by insistently taking economic construction as the center and vigorously developing the social productive forces can we alter the poor and backward nature of Yunnan, gradually achieve the target of enriching the people and invigorating Yunnan, and fully demonstrate the superiority of the socialist system; only by adhering to the four cardinal principles can we guarantee the political and social stability of the borders and guarantee that socialist modernization can forge ahead along the correct orientation; and only by insisting

on reform and opening up can we break with the closed and semi-closed economic setup and accelerate the emancipation and development of the productive forces. The party's basic line of "one center, two basic points" is a tremendous spiritual force in encouraging the people of all nationalities to advance triumphantly and the guarantee of achieving the second-step strategic objective. We must continuously and seriously implement it and not waver in the slightest at any time.

While affirming the achievements and summing up the experiences, we must also see the defects in our work and the difficulties in our advance: The agricultural foundation is weak and the comprehensive productive capacity is relatively low; the standards of industrial technology and management are comparatively backward and economic results are not good enough; the development of tertiary industry is stagnant, and the problem of impeded circulation is still conspicuous; interregional development is uneven and some people's problems of food and clothing have not yet been solved; the social order situation is still serious; and the tasks of controlling the excessively fast population growth and ecological deterioration are fairly arduous. More importantly, our minds are insufficiently emancipated, we are not bold enough, our pace of reform is not fast, the opportunity of opening to the outside world is not firmly seized, and we work in a less than thoroughgoing and down-to-earth way. We must pay great attention to these problems and adopt corresponding measures to gradually solve them in the Eighth Five-Year Plan and 10-Year Program.

## II. Main Objectives of Struggle and Basic Guiding Principles

On the basis of the spirit of the "Proposal for Formulating the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development," and through extensive and thorough investigation and study as well as comprehensive balance, the Yunnan Provincial CPC Committee formulated a "10-Year Program and Eighth Five-Year Plan (Draft) for Yunnan Province's National Economic and Social Development." This "Program and Plan (Draft)" puts forward the guiding ideology for our province's economic and social development in the coming 10 years, namely: The mind must be even more emancipated, the pace of reform and opening up must be still greater, economic development must be even faster, and spiritual civilization must be built still better. We must make efforts to shift economic construction onto the track of relying on scientific and technological progress and improving the quality of laborers. We must take enhancement of economic results as the center; improve the economic structure; develop priority resources; step up infrastructural building; strengthen the staying power for development; unremittingly create a new situation; further strengthen the building of socialist democracy and legal system; and gradually improve the urban and rural people's material and cultural lives on the foundation of the development of production.

The main objectives of struggle for Yunnan Province's national economic and social development in the 1990s put forward by the "Program and Plan (Draft)" are: By the year 2000, the GNP computed at 1990 prices will amount to 82 billion yuan, an average annual increase of 7.1 percent during the 10 years and quadrupling that of 1980 calculated in terms of comparable items. The gross industrial and agricultural output value will be 113 billion yuan, an average annual increase of 6.7 percent. Of this, the gross agricultural output value will be 34.7 billion yuan, an average annual increase of 4.5 percent; the gross industrial output value will be 78.3 billion yuan, an average annual increase of 8 percent. The total amount of foreign currency earnings from exports will reach \$720 million. The scientific and cultural quality of all nationalities will be obviously enhanced and the rate of contributions made by science and technology toward economic development will increase greatly. The province's natural population growth rate will be contained within 14 per thousand. The ecological environment will improve and arable land will be effectively protected.

With the achievement of the abovementioned objectives of struggle, our province's comprehensive economic strength will be markedly reinforced; economic quality and economic results will be markedly enhanced; the industry mix will be further improved, and a large number of new pillar industries will begin forming; the appearance of infrastructural facilities will change greatly and routes leading to places outside our province and leading to the sea will be basically unimpeded; the economic layout will tend to be rational; minority-nationality areas and remote border areas abundant in resources will be effectively developed; important progress will be made in opening to the outside world, and our province will become an important land route open to Southeast Asia; the people's material and cultural lives will improve in a comprehensive way, and the majority of the people will become well-off. A brand new situation in economic prosperity and social progress will emerge in society as a whole.

After analyzing the situation in our province's economic development in the 1980s, estimating the situation in technical transformation and capital construction projects to be carried out in the 1990s and in the development of industries, and analyzing the situation in comprehensive balance in all aspects, we have put forward an average annual increase in GNP during the coming 10 years of 7.1 percent. This rate is slightly higher than the national average level but we are positive and have also left some margin. What is important is that we must ensure this rate on the foundation of bettering the economic structure, raising economic results, and enhancing the quality of the national economy as a whole.

According to the guiding ideology for our province's economic and social development, the "Program and Plan (Draft)" puts forward basic principles to be followed in the coming 10 years. These basic principles are:

**First, adhere to the principle of deepening reform.** Reform is a process of self-improvement of socialism. We must further emancipate our minds, vigorously make explorations along the socialist orientation with Chinese characteristics, boldly blaze new trails, and quicken the pace of reform to make it continue to be a strong impetus in our province's economic and social development.

**Second, adhere to the principle of opening to the outside world.** With the development of the international situation and changes in the political and economic situation in neighboring countries, Yunnan is facing a rare chance of opening to the outside world. We must enhance our consciousness for opening up; accelerate the pace of opening up; open wider at home and abroad; combine reform, opening up, and development; speed up exploitation and development by opening up; gradually build our province into a land route for our country which is open to the outside world; turn the objective of opening to the outside world into its forward post; and work hard to create a new situation in Yunnan's opening to the outside world.

**Third, adhere to the principle of unremitting, steady, and coordinated development of the national economy.** We stress economic stability for the purpose of unremitting and coordinated development. We must insist on unity of stability and development, speed and efficiency, production and circulation, and unity of the intensive and extensive forms with the intensive form as the main aspect. We must do well in comprehensive balance, properly coordinate all important proportionate relationships, and correctly handle the relations between laying a foundation and striving for development and between macroeconomic regulation and control and microeconomic invigoration. We must do what we are capable of and avoid being overanxious for quick results; we must do our best and avoid being content with things as they are and attempting nothing and accomplishing nothing. We must vigorously create conditions and strive for faster economic development.

**Fourth, adhere to the principle of taking education as the foundation and invigorating Yunnan through application of scientific and technological advances.** Yunnan's general level of productive forces is comparatively low and its economic development is backward. One of the fundamental reasons is backward education and science and technology and the poor quality of laborers. A host of facts show that it is impossible to invigorate Yunnan and to realize modernization without enhancing the quality of laborers and relying on science and technology. The core of taking education as the foundation and invigorating Yunnan through application of scientific and technological advances is to really shift economic construction onto the track of relying on scientific and technological progress and enhancing the quality of laborers. We must devote our energy to education and scientific and technological work, integrate the development of priority resources with advanced science and technology and economic development with the development of intellectual sources, so that education, science

and technology, and economic construction and all social causes can promote each other and develop in a coordinated way.

**Fifth, adhere to the principle of self-reliance and hard struggle and of building the country by thrift and diligence.** This is of important practical significance and is also a long-term task. Our province must base economic construction on self-reliance and, at the same time, vigorously strive for state support; vigorously introduce domestic and foreign advanced technology, talented people, and capital; and constantly strengthen the self-reliant ability. We must continuously carry forward the spirit of building an enterprise through arduous effort and of diligence and thrift, resolutely overcome the phenomenon of extravagance and waste in all realms, and spend the limited funds on modernization.

**Sixth, adhere to the principle of solidarity and stability.** Yunnan is a multinational province and nationality solidarity and social stability are a prerequisite and guarantee of the achievement of the second-step strategic objective. We must completely and correctly implement the party's policies toward nationalities and religions, seriously enforce the "law of regional autonomy for minority nationalities," continuously implement the preferential policies toward border nationalities and poor regions and the measures to support them financially, speed up economic development in these regions, and lay a material foundation for nationality solidarity and border stability.

**Seventh, adhere to the principle of simultaneously grasping the building of socialist material and spiritual civilization.** In the wake of changes in the international political situation and development of opening to the outside world, Yunnan is facing a long-term, arduous, and complicated struggle of building spiritual civilization and tidying up social order. We must regard building socialist spiritual civilization and comprehensively tidying up social order as systems engineering, vigorously step up and improve the work in the ideological realm, strengthen ideological and political work, sternly crack down on all kinds of serious crimes and economic criminal activities, and enhance the building of our province's spiritual civilization to a new level.

**Eighth, adhere to the principle of protecting the ecological environment, controlling population, and protecting arable land.** Family planning and the protection of land and the environment are three basic national policies as well as major matters having a bearing on our province's economic and social development in the coming 10 years. We must seriously enforce the relevant laws and regulations; enhance population awareness; simultaneously grasp the "two kinds of production"; rationally exploit and protect resources; and step up monitoring, preventing, and controlling natural disasters and all sorts of pollution, to alleviate the tremendous pressure of the population, arable land, and ecological problems on economic and social development.

### III. Concentrating Forces on Stressing Essentials of Economic Construction Which Have Bearing on Overall Situation

The basic idea of our province's economic construction in the 1990s is to: Continuously readjust and unremittingly better the industry mix; strengthen the building of agriculture, basic industries, and infrastructural facilities; vigorously develop the processing and tertiary industries whose resources are available and products are marketable; form new economic pillars; insist on enlarged reproduction with the intensive form as the main aspect; vigorously accelerate scientific and technological progress, using advanced technology and equipment to transform traditional industries and existing enterprises to markedly improve the industrial and agriculture production technology, and even the quality of the province's national economy as a whole; make scientific arrangements for productive forces; bring the strong points of all places into play; and quicken the pace of economic development at the county level and in the nationality and poor regions. To sum up: Lay a foundation, readjust the structure, make circulation smooth, and increase efficiency. The "Program and Plan (Draft)" embodies this idea in making arrangements for the essentials of construction.

**1. Put strengthening and developing agriculture in the first position of economic work and make the rural economy prosperous in a comprehensive way.** Agriculture is the foundation of economic development, social stability, and state independence. Without the stability and comprehensive progress of the rural areas, the stability and comprehensive progress of the whole society are impossible; without agricultural modernization, the modernization of the national economy as a whole is impossible. In the coming 10 years, our province must take the development of large-scale agriculture, ecological agriculture, and developmental agriculture as the orientation and constantly enhance the comprehensive agricultural productive capacity and comprehensive economic results. It must complete building 25 million mu of steady, high-yield farmland so that grain production will be raised to the two new levels of 12 billion kg and 14 billion kg respectively during the Eighth and Ninth Five-Year Plans, and so that the output, quality, and variety of the major agricultural products meet the needs of population growth, the improvement of the people's living standards, and economic development. With relatively great development of the township and town enterprises, the standards of specialization, commercialization, and modernization in the rural economy will be markedly enhanced.

—Further deepen rural reform, stabilize and perfect the rural policies. We must unswervingly implement the spirit of the Eighth Plenary Session of the 13th CPC Central Committee; continue to stabilize the responsibility system with the contract responsibility system on a household basis with remuneration linked to output as the main aspect; unremittingly perfect the management system in which unified management is

combined with separate management; vigorously develop the collectivized service system in agriculture; gradually bolster the strength of the collective economy; and lead the peasants in becoming rich together. We must exert great efforts to build a collectivized service network in rural areas; further give play to the service functions of the county and township economic management departments; establish a number of operation associations whose industry and commerce merge into an organic whole and form an integrated system for the procurement of supplies, production, and marketing; and do a good job in serialized collectivized services before, during, and after agricultural production. The focal points are to do well in reforming the rural circulation system, to rationalize the prices of agricultural products in a planned way, and to perfect the purchasing and marketing policies. We must vigorously widen the circulation channels, speed up the establishment of the structure of the agricultural product market, make efforts to solve the problems and difficulties in buying and selling agricultural products, and protect and arouse the peasants' enthusiasm for production.

—Steadily increase input, do well in farmland and water conservancy construction. We must gradually establish the investment structure in farmland and water conservancy construction at three levels—the state, collectives, and peasant households—and put it on a sound basis. Over 20 percent of the budgetary investment in capital construction at the provincial level will be spent on agriculture and more financial reserves from prefectures and counties will be invested in agriculture. Meanwhile, the peasants will be led to increase their input in labor and funds. During the Eighth Five-Year Plan and under the support of the state, we must particularly stress the building of some dozens of large and medium water conservancy projects, including Yudong in Zhaotong, Wulichong in Mengzi, and Chaishitan in Yiliang, and build a large number of small water conservancy facilities so that the rate of water conservancy works built on an extensive scale will be raised from 37 percent at present to 44.5 percent. Supply of support-agriculture materials, including chemical fertilizers, agricultural chemicals, plastic sheeting for agricultural use, and agricultural machinery, will increase accordingly and supply of chemical fertilizers will increase by more than 200,000 tonnes a year. Meanwhile, medium and low yield farmland will be vigorously transformed; the soil will be made fertile; forests will be planted and cultivated; the ecological environment will be protected; mountains, rivers, farmland, forests, and roads will be persistently and comprehensively harnessed; and conditions for agricultural production will be gradually improved.

—Really do well in invigorating agriculture through the application of scientific and technological advances and the promotion of education. During the Eighth Five-Year Plan, all provincial counties, cities, townships, and towns will build up agricultural technology

popularization centers to gradually form a network, with the county agricultural technology popularization centers as the center, township agricultural technology stations as the foundation, and peasant technicians and science and technology demonstration households as backbone elements. We must vigorously spread the measures to increase output through the application of scientific and technological advances, make arrangements for 30 key projects of agricultural experiments and popularization for five years, and strive to increase the self-sufficiency rate in hybrid maize to over 90 percent and the self-sufficiency rate for hybrid rice seeds to about 70 percent. Comparatively great progress must be made in popularizing advanced practical technologies of all industries, including agriculture, forestry, animal husbandry, and fishery. We must insist on taking the road of integrating agriculture, science, and education and, through elementary education, vocational education, and short-term training, train a large number of skillful craftsmen and specialized households in the scientific and technological field to greatly improve the quality of the rural laborers in our province.

—Continue to readjust the rural industry mix. It is necessary to correctly handle the relations between grain crops and industrial crops. On the premise of stabilizing the grain sown areas, vigorously enhancing the per unit area yield and quality, and ensuring a steady increase in gross output of grain, and in the light of the market demand, we must select and develop all categories of good industrial crops. We must fully attach importance to the protection of forests; develop forestry; do a particularly good job in the construction projects for the protective forest system in the middle and upper reaches of the Chang Jiang, as well as the afforestation projects using World Bank loans; quicken the pace of greening the whole province; and work hard to change the situation wherein the forest consumption rate is larger than the growth. By 1995, 40 million mu will have been afforested; the rate of forest coverage will amount to 27.4 percent; and six new commodity pig production bases, eight milk cow bases, eight goat and sheep bases, five poultry egg bases, 13 commodity cattle bases, and 50,000-mu commodity fish bases will have been built so that supply of meat and food for the whole province will have been further improved. After readjustment, the proportion of industrial crops in farm production; the proportion of forestry, animal husbandry, and fishery in agriculture; and the proportion of secondary and tertiary industries in the rural industry mix have risen and the commodity rate of agricultural and sideline products has risen from 52.7 percent to over 65 percent.

—Vigorously develop township and town enterprises. It is essential to continuously implement the principle of "giving vigorous support, making rational planning, giving correct guidance, and strengthening management" and to speed up the development of the township and town enterprises. A plan must be worked out

and arrangements made so that, by 1995, the aggregate income of the township and town enterprises in the whole province will amount to 15 billion yuan, an average annual increase of 13 percent or so and doubling the aggregate income in five years. The orientation and focal points of the development of the township and town enterprises are developmental agriculture, the agricultural and sideline products processing industry, the trades that serve the manufacture of complete sets of equipment for large-scale industries, and the tertiary industries. The township and town enterprises must also insist on taking the social and market demands as the direction and develop selectively in line with local conditions. During the Eighth Five-Year Plan, it is planned that every township and town and the majority of administrative villages are required to run one or several new enterprises well and every county must produce its own superior and "competitive" products. To accelerate the development of township and town enterprises, the provincial authorities will particularly support the establishment of several hundred township and town enterprises, including them in the province's plan for industrial technological transformation and, meanwhile, encourage the urban large-scale industries, institutions of higher learning, and forces in other aspects to vigorously contribute toward this work.

**2. Suitably enlarge the scale of investment and speed up the building of communications, telecommunications, and energy.** During the Eighth Five-Year Plan, after the factors are considered, including the potential financial and material resources, national average level of growth of investment, and growth of the province's GNP and national income, a plan must be worked out and arrangements made so that the province's investments in fixed assets total 45.8 billion yuan, an increase of 45.1 percent over the Seventh Five-Year Plan. Of this, investment in the local fixed assets under ownership by the whole people will be 22.8 billion yuan. The focal point of construction is to stress the construction of 35 new key projects and transformation projects and to build infrastructural facilities, including communications and telecommunications facilities, on a comparatively large scale. Through efforts for 10 years, or a slightly longer time, the problems of impeded routes out of Yunnan Province and to the sea will be basically solved and a comprehensive transport structure and postal and telecommunications network which meets the needs of economic development and opening to the outside world will be established.

In the aspect of communications construction: 1) Six railroads will be built and transformed, the Nanning-Kunming and Guangtong-Dali railroads and Kunming key project will be built, the Kaiyuan-Hekou section of Kunming-Hekou railroad will be repaired, work on the Kunming-Yuxi railroad will continue and, in coordination with the state, the Chengdu-Kunming railroad will be electrified. The province will also urge the state to resume construction of the Neikun railroad and to transform the Jijie-Gejiu and Kunming-Dongchuan railroads. 2) Road construction will be continuously

stressed, four state-grade main highways will be transformed in particular, four important economic connecting links will be built, a high-grade highway network radiating from Kunming as the center will be gradually completed, and the situation in communications and transport with places outside the province and with the neighboring countries will be improved. Meanwhile, county and township highways, rural highways, and post roads used by people and horses will be continuously built and county and township roads, 6,000 km in length, will be built or reconstructed in five years as planned. 3) Air and water transport will be vigorously developed. The expansion of Kunming airport will be stressed; Zhaotong airport reconstructed; Lijiang, Dali, and Lincang airports built; Xishuang Banna airport expanded; Simao and Baoshan airports transformed; and the local air network in the province gradually formed. The focal points for water transport are to continuously build a channel from Xiaoganlanba to Nandeba at Lancang Jiang and to harness the course from Jinghong to the neighboring countries and the course at the lower reaches of Jinsha Jiang. Another focal point is to open an air route to Shanghai.

In the aspect of postal and telecommunications construction, the key points are to build a network of main transmission lines, to develop the city telephone system and automatic long-distance exchange system, to build a postal and telecommunications network, to transform and develop rural telephones, and to gradually form an information transmission system. Kunming key telecommunications project and other key projects will be completed in five years, with 300,000 additional program control telephones installed; 100,000 autonomous prefectural and county networks transformed; telecommunications lines, over 10,000 km in length, laid; and the utmost done to install telephones in all administrative villages and above in the whole province.

In the aspect of energy construction, we must continuously regard electric power as the center and coal as the foundation, give priority to the development of hydroelectricity in coordination with the development of thermal electricity, and step up the building of the key backbone projects and of complete sets of facilities for transmission and transformation of electricity. While ensuring that Manwan Electric Power Station is completed and put into operation as scheduled, we must try our best to begin building Dachaoshan Electric Power Station in 1993; vigorously do the preliminary stage work at Xiaowan Electric Power station, as well as the survey and design work at Nuozhadu Electric Power station; achieve the target of supplying other places with Yunnan's electricity; and build up an important state base of commodity energy resources. We must stress the building of key coal mines and the exploitation of coal resources in areas which are short of coal; help local, township, and town coal mines with transformation and improvement; and strive to build a thermal electricity generation base with an installed capacity of over 1 million kilowatts and complete set of equipment in the

east of Yunnan. It is imperative to adhere to the principle of attaching equal importance to development and thrift, to gradually improve the structure of energy consumption, and to enhance the rate of energy utilization. In line with local conditions, we must exploit and utilize rural energy resources; actively develop small hydroelectric power stations, fuel forests, methane, solar energy, and other energy resources; and vigorously popularize firewood-saving and coal-saving stoves. It is essential to step up prospecting in the Chuxiong and Longchuan oil and gas fields and change Yunnan's situation regarding the shortage of oil and gas.

**3. Carry out technological transformation on a large scale and completely develop the processing industry with Yunnan's characteristics.**

—It is necessary to accelerate enterprise technological transformation and technological progress and to enable the economy to get onto the track with the intensive form of enlarged reproduction as the main aspect. During the Eighth Five-Year Plan, the central authorities, provinces, prefectures, counties, and all levels will make arrangements for funds of 10 billion yuan or so to be spent on technological transformation in the large and medium projects and try their best to ensure that, in five years, the scope of technological transformation in the large and medium enterprises reaches 80 percent, their additional output value is 8 billion yuan, and their additional profits and taxes reach 4 billion yuan. Through technological transformation and technological progress, the structure of variety and quality of products will greatly improve, the quality of industries, enterprises, and laborers will be greatly enhanced, the technologies of the priority industries of our province will reach the standards of the 1980s, and the technologies of the general industries will reach national middle-grade standards and above.

—Continue to give play to the strong points—tobacco, sugar, and tea—and enable the priority industries to develop steadily in the increasingly acutely competitive environment. The "Program and Plan (Draft)" puts forward that it is essential to speed up technological transformation; to improve the quality of flue-cured tobacco and cigarettes; to readjust the product mix; to develop the blended-type, safety-type, and curative effect-type cigarettes; to actively develop the international market; and to raise economic results. At the same time, it is necessary to quicken building the complete sets of relevant equipment to ensure that tows, bobbins, beaten aluminum, complex fertilizers, and cigarette machinery are gradually made at home and to form a superior complete system. In sugar production, we must adhere to the principle of consolidation, enhancement, and steady development; stabilize the sugarcane planted areas; increase per unit area yield; and, in particular, solve the problem of supplying raw materials to the sugar refineries. We must step up the comprehensive utilization rate and raise it to about 30 percent in the sugar refineries. We

must also do a good job in the circulation of sugar and raise economic results. We must improve processing techniques and packaging, strengthen our competitive power in the international market, and make even greater contributions toward enriching the peasants and increasing financial revenue and foreign exchange earnings from exports.

—Take economic results and social benefit as the center and do well in developing the bonderizing [lin hua gong 4340 0553 1562] industry, smelting, rubber, and paper industries. We must take the road of integrating phosphorus with chemical industry, and minerals with fertilizers, and promote and finance the development of fertilizers through the application of chemical industry with the focus on the development of precise bonderized industrial products, highly-condensed phosphate fertilizer, nitrogenous and phosphate complex fertilizer, and phosphorus concentrate, to gradually build our province into a state bonderized industry production base. In the iron and steel industry, we must stress the reconstruction and expansion of the Kunming Steel Plant project and the construction of Dahongshan Iron Mine and ensure that output of steel reaches 1 million tonnes in 1995. In the nonferrous metal industry, we must properly build Lanping lead and zinc bases and, meanwhile, continue to keep tin and copper in the front position in the whole country. By 1995, gross output of nonferrous metals will amount to 280,000 tonnes. We must vigorously exploit the abundant rare and precious metal resources, including gold and silver, and do our best to build our province into an important precious metal resources base, including gold and silver, for the whole country. In the rubber processing industry, we must stress the development of meridian line [zi wu xian 1311 0582 4848] tires and other serial products. We must integrate forestry with the paper industry, attach equal importance to paper and pulp, develop high-grade paper and other kinds of paper in short supply, and increase our additional capacity for more than 100,000 tonnes of paper in five years.

—Attach importance to the development of the light processing industry, intensify the exploitation of resources, and cultivate new financial sources. In the coming 10 years, we must widen the road of developing light industry; intensify the processing of agricultural and sideline products; support the development of traditional crafts and special, famous, and superior products; and, through measures, including importing advanced technology and equipment, develop high-standard, large-scale, and competitive products with Yunnan characteristics. We must work hard to develop the market and increase foreign exchange earnings from exports. We must vigorously develop the food industry and select and develop the superior light processing industries, including spices; medicines; fodder; leather; textiles; light industrial products for daily use; domestic electrical appliances; industrial, art, and tourism commodities; and articles

for nationality use. We must vigorously support the development of key and competitive products and ensure that, as soon as a number of industries are developed, they score achievements.

—Be determined to promote the machine-building and electronics industries and building material industry. The focal points of the electronics industry are to develop computers, telecommunications technology and equipment, continue to develop electronic materials and electronic products of a consumption category, vigorously popularize the application of electronic technology in all professions and trades, and transform the existing enterprises through electronic technology. We must vigorously create conditions for developing high and new technology products. In the machine-building industry, we must: Intensify technological transformation; step up specialization and cooperation through a division of labor; develop products that require the simultaneous use of mechanical, optical, and electronic instruments; stress the development of Isuzu light automobiles and series products; and continuously develop machine tools, electrical engineering, agricultural machinery, heavy-duty mining machinery, and complete sets of tobacco processing equipment. It is essential to further give play to the strong points of the war industry and to manufacture articles for civil use. In the building material industry, we must seize the opportunity to improve relations with our neighboring countries and, in light of the needs of key construction projects, step up technological transformation; develop modern building materials of superior quality; expand exports; and satisfy the needs of production, construction, and the improvement of the people's living standards.

4. **Vigorously develop the tertiary industries.** The acceleration of the development of the tertiary industry is an important key link in alleviating the employment pressure, speeding up the modernization of the industry mix, and enhancing the benefit of the national economy as a whole and the quality of the people's livelihood. Our province's tertiary industries are insufficiently developed and the structure is irrational. It is imperative to change this backward state. In the coming 10 years, while continuously doing a good job in communications, transport, posts and telecommunications, and urban public utilities, we must speed up the development of the trades, such as tourism, finance, insurance, commerce, information and advisory services, real estate, culture and amusement, and comprehensive technological services which serve production and livelihood. We must try our best to ensure that the proportion of tertiary industry in the GNP rises from the current 17 percent to over 27 percent.

We must give play to the strong points of our province's tourism resources as well as the strong points of our geographic position, vigorously develop the nationality tourism industry with Yunnan's characteristics, attract tourists from home and abroad, gradually form a transnational tourism region merging with the Southeast

Asian market, and build the tourism industry into an important earner of foreign exchange. During the Eighth Five-Year Plan, we must stress building scenic spots and facilities in key tourism areas with Kunming as the center. We must also operate tourism lines and routes at the state level properly, improve the management of the tourism industry, quicken the development of software, and enhance the quality of services. It is essential to develop tourism commodities with Yunnan characteristics, increase income from tourism, and develop the tourism economy in a comprehensive way.

5. **Accelerate rational division of labor and coordinated development in the regional economy and economic development in the nationality areas and poor areas.** In the coming 10 years, in regional economic development within our province, we must continue to adhere to the principles of: Unified planning; rational division of labor; supplementing each other with respective strong points; coordinated development; giving consideration to the interests of others; and becoming rich together. We must vigorously solve the problems of greatly unbalanced economic development and distribution of resources and correctly handle the relations between giving play to regional strong points and the province's unified planning, between the interior and borders, and between comparatively economically developed areas and poor areas. Efforts must be made to improve the regional economic structure and arrangements for productive forces. The focal point of economic arrangements will shift to medium and small cities and towns; attention will be paid to economic development in the areas along rivers, roads, and borders; and economic development at the county level will be accelerated. In the readjustment of the urban structure, while further giving play to the role of Kunming City as a central city, we must do well in building medium and small cities and rural market towns; accelerate the development of the cities, including Qujing, Dali, Yuxi, Kaiyuan, and Chuxiong; and build a number of small cities and towns. We must integrate the building of key projects and border ports with the economic development of the border nationality areas to promote the economic development of these areas.

It is imperative to speed up the economic development of the minority-nationality areas. We must seriously implement the "law of regional autonomy of minority nationalities," continue to implement all preferential policies toward the development of the nationality areas, and give full play to the strong points of the nationality areas. We must integrate exploitation of nationality area resources with their economic and social development, vigorously develop agriculture, intensify the building of infrastructural facilities, and quicken the development of the priority industries. We must vigorously develop border trade, nationality trade, and foreign trade, and further develop the scientific and technological, educational, cultural, and sports causes and accelerate the development of the nationality areas' economic and social causes. By 1995, the gross industrial and agricultural output value of the autonomous areas of minority

nationalities will amount to 29.66 billion yuan, the peasants' per capita net income to 500 yuan, and per capita consumption of grain to 340 kg.

It is necessary to support the economic development of the poor areas and to quicken the pace of casting off poverty and becoming rich. In the coming 10 years, the principles and policies by the central authorities and province toward support of the poor will remain unchanged and, where possible, we will still suitably increase the input of funds in aid of the poor. We must continuously adhere to the principle of support of the poor with self-reliance and economic development as the main aspect and particularly intensify the work of supporting the poor in the poorest, most remote, and most backward areas. We must seriously implement all preferential policies and measures and continue to mobilize and organize all departments and various circles in society to support their poor counterparts, to support the poor through the application of intellectual resources, and to support the development and construction of the poor areas in many aspects. The poor areas must also take comprehensive measures for the production of materials, control of population, economic development, and development of intellectual resources at the same time and try their best to ensure that after five years' efforts, the masses' problems of food and clothing will be steadily solved.

It is essential to vigorously support the rehabilitation and construction of the previous war zones. In the wake of the normalization of Sino-Vietnamese relations, the conditions for rehabilitating and constructing the previous war zones are basically mature. We must work well and vigorously and do our best to ensure that in five to six years, we will restore the facilities damaged by the war, do well in building the infrastructural facilities, promote the exploitation of resources and opening to the outside world, speed up economic and cultural development, gradually narrow the gap between these zones' level of economic development and the province's level of economic development, and build the borders well.

#### IV. Make Vigorous Efforts To Develop Scientific and Technological and Educational Undertakings and Enhance Standard of Science and Technology and Quality of People

In the coming 10 years, the process of reinvigorating Yunnan hinges to a great extent on the development of science and technology and education. The "Program and Plan (Draft)" pays full attention to this and puts forward the strategical idea stressing the need to adhere to the principle of "taking education as foundation and reinvigorating Yunnan through science and technology," thus highlighting the strategic status of science and technology and education and steering the economic construction into the orbit of relying on scientific and technological advances and enhancing the quality of the labor force.

It is necessary to conscientiously implement the principle that "economic construction must rely on science

and technology and scientific and technological work must be oriented to economic construction," maximally mobilize scientific and technological forces and put them into the staple domains of economic construction, push ahead with the technical advancement of enterprises, expedite the development of high and new technologies, and enhance the overall scientific and technological standard of the economy; strengthen the popularization and application of scientific and technological achievements and speed up the dissemination and transfer of mature technologies into ordinary and poor areas. In the coming five years, 230 scientific and technological achievements with relatively small input, good efficiency, and quick results will be popularized on an extensive scale; 62 state-level and provincial-level "Spark Program" projects will be carried out; the existing large and medium enterprises will go through technical transformation selectively, in stages, and in batches; and energetic efforts will be made to save energy, lower the consumption of raw materials, upgrade the quality of products, and further push ahead with the process of boosting agriculture through science and technology and the technical advancement of enterprises. It is necessary to, in light of the reality of economic development and long-term requirements, organize resources to tackle key technical problems and overall scientific and technological problems in major projects. For instance, in agriculture, it is necessary to conduct research on the selection of fine varieties and the comprehensive package technology for high-yield cultivation, striving for good results in the study on comprehensive agricultural development. In the speciality industries, it is necessary to do a good job in the development of, and research on, flue-cured tobacco and cigarettes, in a bid to establish some more fine brands of mixed-tobacco cigarettes; work toward breakthroughs in the deep-level processing of such mineral resources as phosphorus, lead, zinc, titanium, and platinum, as well as experiments and research on the development of serial products connected to them; and make efforts to develop a new batch of medicines unique to Yunnan in the course of research on medicines of plant origin, precious indigenous medicinal materials, family planning medicines, antinarcotic medicines, anticarcinogens, and drugs for preventing AIDS. It is necessary to step up efforts in formulating the programs for developing trade products [hang ye chan pin 5887 2814 3934 0756] and make good in-depth arrangements for the development of products in a bid to develop at least 250 provincial-level new products during the period of the Eighth Five-Year Plan. In the coming five years, efforts will be made to organize 500 basic research projects in a bid to obtain a batch of high quality results. In the meantime, efforts will also be made to make further progress in the research on new technology and the ecosystem.

It is necessary to expedite the development of high- and new-technology industry, concentrate on developing high-grade and well-connected high- and new-technology products in biological engineering, new materials, new energy, integration of machinery and electronics, microelectronic

technology, and environmental protection, and cultivate a batch of new industries with technical advantages; continue with the implementation of the "Torch Program"; strive to run well Kunming's Wuhua high- and new-technology development zone; promote the commercialization and industrialization of high- and new-technology achievements; and speed up the proliferation and infiltration of them into conventional industries.

In social sciences, it is necessary to uphold Marxism as the guide, consistently integrate theory with practice, and strengthen the study on the major issues concerning economic and social development as well as reform and opening up in this province, and attach importance to the study on decisionmaking consultation and make energetic efforts to enhance the democratic and scientific nature of the decisionmaking process.

It is necessary to continue to deepen the reform of the scientific and technological system and gradually establish a new vital and efficient mechanism for scientific research, introduction of technology, innovation, and popularization and application, which combine with and promote each other; stabilize, improve, and promote the policy for scientific and technological advances; constantly increase the input in science and technology; and improve the conditions for scientific research. In the coming five years, it is planned that the chief facilities and equipment in a number of scientific research academies and institutes will be renewed; also in plans are 10 key laboratories and six pilot-study [zhong shi 0022 6107] bases or workshops to enhance the power for scientific research and exploitation and expedite the materialization of scientific and technological achievements in practical productive forces.

Developing the educational undertaking and improving the quality of the whole people is a program of fundamental importance to building socialism. The process of reinvigorating Yunnan through scientific and technological advances must proceed from education. In the coming 10 years, we will continue to implement the principle that education must serve socialist modernization, be integrated with productive labor, and bring up constructors and successors who are developed in a comprehensive way—morally, intellectually, and physically; give first priority to moral education [ba de yu fang zai shou wei 2116 1795 5148 2397 0961 7445 0143] and enhance the ideological and political level and professional quality of the educators and the educated in a comprehensive way; and incessantly deepen the educational reform, readjust the educational structure, improve the conditions for running educational institutions, upgrade the quality of teaching, and, through 10 years of endeavor, preliminarily establish an educational system with a rational structure, on an appropriate scale, in line with the needs of economic development, and oriented to the 21st century.

It is necessary to take solid measures to strengthen basic education; further implement the "Compulsory Education Law," carry out primary and junior middle compulsory education with a focus on rural areas, run the boarding and semiboarding schools in ethnic minority areas well, strengthen the management of "one-teacher schools" in remote and poor areas, and work out a good solution to the problem of student drain; strive to popularize primary education in 100 counties of the province and junior middle education in urban areas inhabited by 30 percent of the provincial population by the end of the Eighth Five-Year Plan; pay attention to the development of infant education and education for disabled and mentally retarded children; make a good job of illiteracy elimination and strive to help 1 million people become literate within five years; and continue to adjust the structure of intermediate education and make active efforts to develop vocational and technical education and adult education. Middle and primary schools must increase the proportion of education on labor techniques; each county should run well one vocational middle school; junior middle school and senior middle school students, after leaving school, should receive vocational and technical education; efforts should be made so each able-bodied person who joins the rural work force during the Eighth Five-Year Plan will master two or three advanced practical skills. The focus of adult education should shift from diploma-oriented education to post-related training and training on practical skills. It is necessary to continue to develop TV universities, correspondence universities, and various forms of radio and TV education and constantly enhance the quality of labor force. In general higher education, it is necessary to, under the precondition of a steady scope, rationally adjust the structure, improve the educational quality and efficiency, run the key colleges and universities as well as major subjects well, appropriately develop speciality education, reduce the size of specialities that are not in great demand, expand the directional enrollment from mountainous areas and ethnic minority areas, and strive to train one agrotechnician and one medical worker for each township or town within five years. It is necessary to do a good job of teachers education, strengthen the training of teachers and education management cadres, and build a contingent of teachers with relatively good quality and a rational structure; manage to increase the input in education, raise educational funds through various channels, constantly improve the conditions for running the educational institutions, and, by 1995, reduce the rate of dangerous premises to under 3 percent.

It is necessary to further establish the fine habit of respecting knowledge and capable people in the entire society; implement the policy toward intellectuals in a comprehensive way; gradually improve the livelihood, and political treatment, of intellectuals, especially those making outstanding contributions and the scientific and technological personnel working in poor ethnic minority areas; create fine working conditions for them; and give full play to the important role of intellectuals in the building of the two civilizations.

### **V. Explore Actively, Break Paths Boldly, Deepen Economic Structural Reform Constantly**

Solving the profound contradictions in the current economic life and smoothly accomplishing our province's 10-Year Program and Eighth Five-Year Plan both hinge on the deepening of various reforms. The cadres at various levels, especially leading cadres, should further free their mind, actively explore new approaches to the reform, study the new methods for deepening the reform, and be more bold, more determined, and more pragmatic in implementing the party's line, principles, and policies laid down since the Third Plenary Session of the 11th CPC Central Committee as well as the effective reform measures. In accordance with the plan of the party Central Committee and the State Council, the basic orientation of the process of deepening the reform in this province is to, in light of the principle of integrating planned economy with market regulation and the reality of Yunnan, gradually establish a new system of socialist planned commodity economy. The main task of the economic structural reform is to perfect the ownership structure whereby the socialist public ownership is the main body and many economic sectors develop side by side; establish a vital management system and operating mechanism in state enterprises; establish and develop a socialist market system under the state guidance and management; sort out the distribution relations and form a rational pattern of national income distribution; and establish and develop a macroeconomic regulation and control system which integrates direct regulation and control with indirect ones. Centering around the above basic orientation and main task of the reform, the "Program and Plan (Draft)" lays bare the need to do a good job in the reforms of enterprises, circulation, revenue and taxation, commodity prices, banking, planning, investment, labor wages, housing system, medical care, and social security in a planned, incremental way. The following aspects of work merit special attention:

**1. Further deepening the enterprise reform, focusing on the invigoration of large and medium state enterprises.** Constantly strengthening the vitality of enterprises, especially that of large and medium state enterprises, remains the central link in the urban economic structural reform in the 1990s. Unremitting efforts are necessary in improving the external environment, tapping the potentialities within the enterprises, changing the operating mechanism, and strengthening the internal management. It is necessary to make down-to-earth efforts to implement the "Enterprise Law" and take solid measures to reduce the administrative interference in enterprises and protect the enterprises' autonomy in production and other operations; accelerate the change of enterprises' operating mechanisms; step up the reforms of the labor, personal, and distribution systems within enterprises; and break the "iron rice bowl," "iron armchair [lifelong tenure]," "ironclad wages," and the "big pot" so enterprises can genuinely become economic entities that have operating autonomy, assume sole responsibility for profits and losses, and are oriented to the market. It is

necessary to uphold and perfect the contract responsibility system for enterprise operations, gradually switch from profit-linked contracting to contracting on the basis of assets operation, and adopt the system which requires payment of tax plus a percentage of profits to the state and payment of tax before loan repayment or any retention of profit; conscientiously implement a series of policies and measures of the state and provincial authorities on invigorating large and medium enterprises and manage to create conditions whereby large and medium enterprises can enter competition with other enterprises on an equal footing; push ahead with the rational circulation of production essentials; speed up the readjustment of organizational structure of enterprises; and, through such methods as combination and merger, set up a batch of transregional and cross-trade enterprise groups that are of considerable size and up to a certain standard.

**2. Deepening the circulation structural reform and gradually establish an open, unobstructed, and flexible circulation system and market mechanism that can be regulated and controlled.** At present, circulation is a weak spot in our province's economy and the obstructed circulation is seriously impeding the development of the commodity economy and the exploitation of speciality resources. During the Eighth Five-Year Plan, it is necessary to place the cultivation of market and the broadening of circulation in a position as important as that of production; make dynamic efforts to develop transregional and cross-trade commodity circulation oriented to the international and domestic markets; perfect and develop various commodity markets and the markets for such production essentials as funds, labor service, technology, and information; in particular, make energetic efforts to develop rural bazaars, futures markets of agricultural and sideline products, various specialized markets, and wholesale markets; further expand the market of production means; gradually form a market system in our province with uniformity of openness, variety of forms, flexible adjustability and controllability, mature rules, and conditions for fair competition. In state and cooperative commercial enterprises, it is necessary to push ahead with the reform aimed at relaxing control on operation, prices, employment, and distribution and expedite the transformation of the operating mechanism. It is necessary to continue to encourage collectively and individually owned commercial establishments to conduct purchase and marketing so the circulation can be enlivened through various channels.

**3. Further strengthening and improving macroeconomic regulation and control.** It is necessary to, under the precondition of subjecting ourselves to the central authorities' macroeconomic regulation and control, exert ourselves in exploring and establishing a provincial-level macroeconomic regulation and control system and mechanism that conforms to our realities, bases itself on state planning, and is guided by the provincial industrial policy; sort out the relations in such fields as planning, prices, finance, banking, taxation, industry,

and commerce and regulate the economic operations through, to a great extent, economic and legal means; continue to improve the system of contracted financial responsibilities; further reform and improve the taxation system; and gradually establish and develop the province-wide consultative system, forecast system, information system, and supervisory system for economic decisionmaking and form a scientific decisionmaking system and relevant regulations.

**4. Making dynamic efforts to push forward the reform of housing system.** In reforming Yunnan's housing system, we will start from changing the low-rent lease or uncompensated distribution of housing, mobilize the enthusiasm of various quarters, raise housing funds through various channels, expedite the construction of residential housing, and improve the housing conditions of residents. During the Eighth Five-Year Plan, we will make big strides in such areas as increasing rent, selling housing, raising housing funds, setting up housing foundations and housing financing systems, and cultivating the property market. This reform involves large numbers of households and concerns the immediate interests of the broad masses. We will adopt the principle of making unified plans, suiting measures to local conditions, making decisions separately, and giving different guidance to different areas. Kunming City, as a key site of this reform, will take the first step and the reform will then be gradually popularized in all other cities and towns in the province.

#### VI. Expedite Pace of Opening, Develop Exchange of Economic Techniques With Those Abroad

Yunnan is now blessed with a rare opportunity for promoting opening up. We should seize this opportunity to propel the process of opening up, open the southern gate of China, face the whole of Asia-Pacific, make energetic efforts to broaden its market in Southeast Asia, develop international economic cooperation and trade comprehensively, and bring our province from the tail end of the opening up to the forefront.

**1. Taking solid measures to strengthen economic and technical cooperation and contacts with Southeast Asian countries.** With the opening up being expanded, the conditions for developing economic and technical contacts and cooperation in exploitation of resources are ever ripening. It is necessary to actively encourage Yunnan's industrial and commercial enterprises to extend their operations abroad; participate in the project contracting, exploitation of resources, and running of processing enterprises of the neighboring countries; and extensively conduct labor and technical cooperation and exchange. In order to meet the needs of opening up, it is imperative to accelerate the construction of communications and telecommunications facilities connecting the neighboring countries. It is also necessary to make dynamic efforts to win the state authorities' approval for establishing a number of border port cities.

**2. Striving to expand foreign trade and increasing exports for foreign exchange earnings.** In the 1990s, we will, in line with the needs of the international market and considering the advantages of our province, further optimize the mix of export commodities; actively develop competitive and lucrative industries and products for purposes of earning foreign exchange; strengthen the construction of bases for running export-oriented industries and producing export goods; take steady steps to develop the mainstay exchange earning industries producing such goods as tobacco, nonferrous metals, machinery and electric appliances, phosphorus chemical products, and tea; form a batch of new industries each of which earns at least \$10 million through exports; and continue to expand the export of textiles, other light industrial products, handicrafts, forest products, Chinese medicinal materials, and other conventional agricultural, sideline, and indigenous products. As far as the export goods are concerned, it is imperative to give first priority to their quality, attach great importance to design, improve packaging, maintain a good reputation, and reinforce their competitiveness in the international market.

**3. Further developing border trade.** It is necessary to carry on maintaining and stabilizing the relevant policies toward border trade and actively broaden the markets in neighboring countries; further expedite the development of processing industries in border areas, set up border trade processing zones in major border cities and towns where the operations can be wholly or partially extended to outside the borders, and change the unvaried linear trade into that which integrates the exploitation of resources, value-oriented processing, and comprehensive utilization; continue to speed up the construction of ports and border trade economic zones; and, while making energetic efforts to develop border trade, take further steps to strengthen border control and the management of border trade operations and firmly crack down on such unlawful and criminal activities as smuggling, pornography trafficking, and drug trafficking so border trade can develop healthily in a fine social environment.

**4. Actively assimilating foreign capital and advanced technology and expediting the development of wholly and partially foreign-funded enterprises.** During the Eighth Five-Year Plan, it is necessary to, focusing on upgrading technical standards and economic efficiency and concentrating on accelerating the technical transformation of the existing enterprises, actively and effectively bring in foreign capital and advanced technology; rigorously execute the laws, decrees, policies, and measures of the state and provincial authorities for encouraging foreign investment; devolve the authority of examination and approval to lower levels; combine certain offices to simplify the procedures and formalities of examination and approval; improve work efficiency; provide good quality service for overseas investors; absorb the largest possible amount of direct investment by foreign businessmen, Hong Kong and Macao compatriots, Taiwan

compatriots, and Overseas Chinese; and expedite the development of wholly and partially foreign-funded enterprises and increase their number in Yunnan to at least 200. In the meantime, it is also necessary to try hard to secure the loans from foreign governments and international financial organizations, in a bid to expand the scope of foreign capital utilization to \$500 million, double that of the Seventh Five-Year Plan, within five years. The utilization of foreign capital will be focused on strengthening the construction of basic facilities, exploiting speciality resources, quickening the pace of enterprise technical transformation, improving urban public facilities, and developing education and public health undertakings. Under the prerequisite of maintaining balance of local foreign exchange income and expenses, it is necessary to appropriately increase the import volume, especially to expand technical and intellectual importation and give priority to the importation of new skills, technologies, equipment, and advanced management experience that can contribute to the enhancement of capacity to earn exchange through exports, the development of import substitutes, and the acceleration of technical transformation and advancement in enterprises.

**5. Bringing into play Kunming's role in the opening process as central city.** In order for Yunnan to upgrade its opening up to a higher stage and make bigger achievements in foreign trade and exchange earnings through exports, it is imperative to give better play to the role of Kunming as the central city. The prospective Kunming Economic Development Zone, which is under deliberation, should aim at the advanced international standards, actively develop high- and new-technology products and products of high-level processing that have high export value and great exchange-earning capacity. Kunming City should help and activate all the prefectures and autonomous prefectures, especially ethnic minority areas on the border, to develop the economy by providing technology and capable people, offering funds and equipment, and helping them exploit resources, broaden circulation channels, develop the economy, and contribute to the economic construction in border areas and the opening up of the entire province.

**6. Continuing to deepen the foreign trade structural reform.** It is necessary to adhere to the principle of "operating with autonomy and assuming sole responsibility for profits and losses"; deepen the foreign trade structural reform; consolidate and develop the operational contract responsibility system in foreign trade enterprises; expand the integration of agriculture with trade, industry with trade, and technology with trade; install the agent system; give autonomy in foreign trade operations to the large and medium enterprises that have adequate conditions; and bring enterprises into the international market. In the meantime, it is necessary to give further play to the role of medium and small enterprises and township and town enterprises in export and encourage the production of exports; strengthen the control of foreign trade plans, foreign exchange control,

permit control, and the management of customs and commodity inspection; and gradually form an efficient comprehensive foreign trade management system.

**7. Making energetic efforts to conduct transregional economic integration and cooperation.** It is necessary to broaden the cooperation with the rest of the country, focusing on the cooperation with coastal areas and neighboring province and regions, and, in accordance with the principle of "reciprocity and mutual benefit, sharing risks, and giving play to advantages," conduct, on an extensive scale, horizontal integration and cooperation with other provinces and municipalities in various fields, at various levels, in various forms, and in all dimensions, promoting the exploitation of resources and the readjustment of regional industrial structure. In the meantime, it is necessary to further strengthen the integration and cooperation among areas, trades, and enterprises within the province; develop the cooperation between processing spots and sources of raw materials; and set up agricultural-industrial-commercial joint economic entities.

## VII. Incrementally Improve Living Standard Among Urban, Rural Residents; Actively Perfect Social Insurance System

The basic purpose of socialist economic construction is to keep satisfying the growing demand for material and cultural life among the masses, and this is also an important duty for the people's governments of various levels. The "Program and Plan (Draft)" proposed that the general goal in the next decade is to strive to enable the people in the whole province to attain small-scale prosperity. Because the levels of development of productive forces in various places in our province are rather different, on the road to common affluence, we cannot demand an identical process for attaining small-scale prosperity. By the end of this century, the places which are more affluent today should further upgrade living standards on the premise of their already attained small-scale prosperity; a majority of the places which have now solved the problem of food and clothing should generally attain small-scale prosperity; and the places which have yet to solve the problem of poverty should gradually attain small-scale prosperity on the premise of solving the problem of food and clothing.

Improvement of people's consumption level and quality of life includes improvement of material life on the one hand, and enrichment of spiritual life on the other; it includes upgrading of consumption level among individual residents on the one hand, and improvement of social welfare and working conditions on the other. Efforts must be made in many areas. Regarding this, the "Program and Plan (Draft)" has concrete arrangements.

**1. On the premise of developing the economy and improving economic returns, we will keep increasing the people's income.** We will continue implementing the policy of allowing some people to first become rich by honest labor and lawful operation, and encourage those

who have first become rich to help those who have yet to become rich to follow the road of common affluence. We will properly handle the relations between consumption and accumulation, and between economic construction and people's life. The increase in per capita actual income for staff should be based on the principle that it is not higher than the growth of productivity, and the increase in income for peasants should mainly rely on rural economic development. We will insist on practicing many forms of distribution with distribution according to labor as the mainstay, and oppose egalitarian measures while preventing too big a gap in income among individuals. From 1990 to 1995, after allowing for price increases, the planned average annual increase in wages for staff in the whole province and the planned average annual increase in per capital income for peasants, are 3.5 percent and 4 percent respectively. At the same time, there will be new and reasonable changes in the structure and way of consumption in the areas of food, clothing, and utility, while construction of urban and rural houses and public facilities will also be further strengthened.

**2. We will resolutely implement three national strategies.** We face an urgent and important duty, which is to practice family planning, control the population, and improve the quality of the population. In the 1990s, especially in the Eighth Five-Year Plan, our province will have a baby boom, and we must enhance the sense of population and the per capita concept, uphold the principle of strictly controlling population growth, and adopt effective measures to reduce the excessively high birth rate. We will continue to practice the responsibility system concerning management of population and family planning goal, extensively launch family planning education and propaganda, and seriously implement "Yunnan Province Family Planning Regulations." The key point of family planning work rests in the rural areas, and we should earnestly strengthen the construction of family planning service networks at county, township, and village levels, give full play to their functions, and earnestly control the number of births beyond quota and the number of excess babies. By 1995, the total population in the province should be controlled within 40.03 million, and the natural growth rate be 15 per 1,000.

We will strengthen land management. Responding to the demand of "Land Management Law," we will gradually build a mechanism for compensated use and reasonable distribution of land resources, strictly enforce the system of approving use of land, and resolutely stop the phenomenon of wantonly using farmland for nonagricultural purposes. In a planned manner, we will develop and utilize barren hills and slopes, stabilize the size of farmland, build terraced fields, carry out afforestation, and better combine land protection with development and utilization of land.

We will strengthen environmental protection. We will seriously implement the "Environmental Protection Law," and enhance the sense of environmental protection for the whole people. In cities and industrial and

mining zones, we will monitor and tackle the public harms such as waste water, waste gas, waste material, and noise, and effectively reduce industrial pollution. We will mobilize the masses to engage in greening and cleaning work, to seal off hills for afforestation, and prevent and tackle soil erosion, to reduce the danger of natural disasters, and to build a good ecological environment. We will step up the effort to clean the pollution in Dianchi, and protect Lancang Jiang, Jinsha Jiang, Nanpan Jiang, and other streams, rivers, and lakes, as well as underground water resources; we will strengthen management and construction of various kinds of nature protection zones.

**3. We will actively increase jobs, and earnestly protect workers.** We will transform the employment concept, broaden the paths to seeking employment, and use various channels and methods to arrange jobs for urban and rural residents. According to plan, at the end of the Eighth Five-Year Plan, the unemployment rate in cities should be controlled within 3 percent. The main measures include: Vigorously develop labor-intensive industries and tertiary industry to absorb more unemployed personnel; continue to develop collective and private economies to increase jobs; actively diversify operation, develop township and town enterprises, and expand the processing of farm and sideline products and comprehensive development and utilization of resources to transfer rural labor forces; extensively launch water conservancy projects, build village roads, and organize people to plant trees and grass and develop barren hills; and actively organize various kinds of labor export. At the same time, we will seriously organize pre-employment training for the unemployed and hire the soldiers trained in both military and civilian skills. In five years, through various channels and methods, we hope to arrange jobs for over 600,000 people in cities, and markedly increase the number of the rural people engaging in nonagricultural operation.

We will strengthen labor management and protection, seriously implement the policy of "safety and prevention first," carry out a safe production responsibility system, strengthen supervision of safety and hygiene and supervision by the masses, perfect inspecting and monitoring means, improve terms of service, and actively reduce the rate of injuries and deaths and the rate of occupational diseases.

**4. We will develop medical, hygiene, and sports undertakings, and improve the people's health level.** Medical and hygiene work should follow the principle of "prevention first, relying on science and technology for progress, mobilizing the whole society for participation, attaching importance to both Chinese and Western medicines, and serving the health of the people." We should carry out education on medical ethics and spirit for health personnel, and keep improving medical standard and service quality. We should strengthen construction of rural health organizations; continue to properly run the three-level preventive medical and health network in the rural areas; and make a key effort to help the areas inhabited

by minority nationalities, the border areas, and the poor areas to build medical and health facilities. We will actively develop elementary medical and health activities to strengthen health work for women and children. We will extensively launch the patriotic health movement centering on eradicating pests and eliminating diseases, and diligently improve the health situation in urban and rural areas. We will attach importance to developing and utilizing the rich Chinese medicinal resources in our province, and dig into the medicinal treasure of minority nationalities. We will carefully monitor and prevent infectious, local, and occupational diseases; protect the people's health; and strive to attain the goal of making medical and health service available to everyone by the year 2000. We will uphold the policy of coordinated development of popular and competitive sports, and extensively organize the popular sporting activities which have ethnic and local characteristics to improve the physique of the people. At the same time, we will pay attention to training and selecting outstanding athletes, to continuously improve the form of our province's athletes for competition.

**5. We will actively and steadily promote the development of social insurance undertakings.** We will emphasize old age insurance and unemployment insurance, establish a system, and strive for results. Depending on the situation, old age insurance will try to gradually move in the direction of an insurance system with burden reasonably shared by the state, enterprises, and individuals. During the Eighth Five-Year Plan, the enterprises owned by the whole people will generally try out the old age insurance method, and the retirement fees will be transferred from counties and cities to the province for central planning; collective enterprises will promote an insurance system based on savings to be contributed by collectives and individuals in reasonable proportion; and owners of private enterprises and individual operators are encouraged to contribute to an old age pension scheme according to a schedule. The townships and villages with better conditions will also establish an old age insurance system mainly based on individual contributions with subsidies from collectives. In state-run enterprises, we will seriously implement the State Council's regulations on unemployment insurance for staff, to ensure the unemployed staff their basic necessities. We will pay attention to care for old people; protect the rights of the handicapped; and seriously do well the work in relief, accommodation, and charity.

### VIII. Strengthen Socialist Spiritual Civilization Construction; Perfect Democracy, Legal System

The "Program and Plan (Draft)" embodies economic construction as the center, and raises an overall demand for spiritual civilization construction. Development of socialist spiritual civilization is an important goal of building socialism with Chinese characteristics, as well as an important guarantee for attaining the 10-Year Program and the Eighth Five-Year Plan. Yunnan, situated along the border, and faced with the complicated international situation in the 1990s and the arduous duty

of reform, opening up, and construction, must make a bigger effort to carry out socialist spiritual civilization construction and the building of democracy and legal system to ensure that the reform and construction proceed smoothly in the socialist direction.

**1. We will earnestly strengthen ideological and moral construction.** The basic duty of socialist spiritual civilization construction is to bring up socialist citizens who have ideals, morals, culture, and discipline, and to improve the Chinese nation's ideological, moral, scientific, and cultural quality. Ideological and moral construction is the soul of spiritual civilization construction. To strengthen ideological and moral construction, it is necessary to persistently carry out education on upholding the four cardinal principles; to uphold the guiding position of Marxism and Mao Zedong Thought; to resist and oppose bourgeois liberalization; to prevent peaceful evolution; and to guarantee that the economic construction, reform, and opening up develop in the correct direction.

We will vigorously strengthen ideological and political work, and extensively launch education on collectivism, patriotism, socialist thought, and communist ideals; we will uphold Marxist national education, strengthen education on public morality and professional ethics, and keep improving the people's ideological and moral quality. We will extensively launch the activities of learning from Lei Feng, Jiao Yulu, and the advanced models who emerged in our province over the past several years; we will vigorously cherish plain living, diligence, hard work, and the giving spirit of taking pleasure in helping others to form good social habits. For young people, we must persistently carry out education on modern history, the country's situation, and the province's situation, and enhance their national self-respect and confidence, to enable them to become a new generation to build the socialist modernization undertaking.

**2. We will bring further prosperity to cultural undertaking.** Bringing further prosperity to cultural undertakings and providing the broad masses with rich and healthy spiritual products is an important duty of socialist spiritual civilization construction. Various cultural undertakings must uphold the principle of "let a hundred flowers blossom and a hundred schools contend," adhere to the direction of serving the people and socialist construction, put social returns in the first position, diligently create more spiritual products which have frontier and ethnic color, improve the cultural quality and spiritual state of the people of various nationalities, and encourage them to fight for affluence and a prosperous Yunnan. Literary and art workers must go deep into grass-roots levels and life, and turn out more spiritual products for the society's stability, prosperity, civilization, and progress. Recently, the Third Chinese Arts Festival, which was held in our province, exhibited the spiritual conditions and abundant cultures and arts of 56 nationalities, and enhanced the friendship between Yunnan and other provinces, municipalities,

and foreign friends, and this will have a positive impact on promoting Yunnan's reform, opening up, economic development, and cultural prosperity. Propelled by the Chinese Arts Festival, we must further launch healthy literary and art activities for the people, boost the outstanding national culture, and develop and make prosper the socialist literary and art undertakings. We will deepen the reform of the literary and art system, strengthen the training of arts personnel of various kinds, and encourage various troupes to tour villages, factories, mines, schools, and army units to perform. We will actively launch cultural and academic exchanges and visits with other provinces and foreign countries, publicize the achievements in economic and cultural construction in our province, let more people at home and abroad know about Yunnan, and promote development of cultural undertakings in the province.

The broadcasting, television, and film industry must follow the correct direction, and improve production ability. We will utilize the communication means such as satellites and microwaves to increase the number of hours of radio and television broadcasts, enrich the contents of programs, and improve the quality of programs. In the Eighth Five-Year Plan, we will build a radio station in Deqen Autonomous Prefecture and one in Nujiang Autonomous Prefecture; in the border areas, mountainous areas, and countryside, we will build some 8,000 receivers. Then, by 1995, the rate of population in the areas capable of receiving television will increase to 75 percent. We will strengthen film and television production work and, at the same time, increase feature films and television series and expedite the work in translating films and television series into minority languages to satisfy the need of minority nationalities.

News units must seriously publicize the party's line, principle, and policy, and disseminate scientific, technological, and cultural knowledge and other information which is helpful to economic development and social advancement to properly play the role of the press in supervising public opinion. Publication departments must publish more outstanding literary and arts works, books on science, research on special topics, and reference books, and strengthen work in publishing and distributing the books, magazines, and newspapers in minority languages and in building the network for distributing books in the rural areas. In the Eighth Five-Year Plan, every town and township should have a book distribution point on a trial basis.

**3. We will strengthen socialist democracy and building of the socialist legal system.** In the course of reform of the political system, we must continuously promote socialist democracy and building of socialist legal system, build a procedure and system of supervision by the whole people, and perfect it. We must further support and attach importance to the work in decisionmaking research and consultation, and promote democratic and scientific decisionmaking. Governments at various levels must voluntarily accept the supervision by the people's congresses and their standing committees at

their levels, and develop and attach importance to the role in political consultation and democratic supervision played by the committees of the Chinese People's Political Consultative Conference [CPPCC], various democratic parties, and social groups. They must do the work in receiving the letters and visits by the masses who have complaints well, humbly listen to the opinions of various quarters, and enable the will and interests of the broad masses to be fully embodied in state politics and social life. We will further reform the administrative system, and straighten out the relations between the provincial government on the one side and prefecture and city governments on the other side. To reform county and township administrative organs, the general principle is to have "a small government providing a big service," and we will separate government from economy, delegate power to lower levels, and refrain from demanding compulsory links between upper and lower organs; economic management departments should try hard to change into entities which provide service and run business; we will cut the number of levels, reduce administrative personnel, improve work style, increase work efficiency, strengthen construction of autonomous social organizations at the grass-roots level, further promote democratic life at the grass-roots level, upgrade the sense and ability for discussing government matters and participating in government among citizens, and arouse enthusiasm among the people for building socialism.

We will strengthen legal system building to enable the socialist democratic system to be institutionalized and written down as law to protect the people's right to be the masters and to guarantee the country's stability, unity, and long-term law and order. We will further enhance the prestige and function of the Constitution and law in various domains such as politics, economy, culture, and social life. Depending on actual need, we will continue to swiftly formulate relevant laws and regulations, and ensure that the already formulated laws, regulations, and rules are being seriously observed and enforced. We will strengthen legal system building for the government to enable the government's administrative activities to be gradually institutionalized and restrained by law.

We will firmly grasp comprehensive rectification of law and order and severely crack down on serious crimes of various kinds in pursuance of law. Relying on grass-roots organizations, we will mobilize the masses; uphold the principle of "stressing both crackdown and prevention, tackling both the phenomenon and the root"; establish and improve various corresponding measures for comprehensive rectification in the areas of crackdown, prevention, education, management, construction, transformation, and employment; and use legal means to guarantee a smooth process of comprehensive rectification of law and order. We will resolutely launch the campaign for "combating indecent and obscene businesses" and wiping out the "six vices." Public security, judicial, industrial and commercial, revenue, customs, border defense, propaganda, cultural, radio and television, news, and publication departments should closely

coordinate their efforts to fight the battle, and seriously discharge their routine management duties. We must seriously grasp policy, strictly distinguish "indecency" and "absence of indecency," follow the principle of combining leniency with severity, and concentrate strength to crack down on criminals. We must resolutely stop and ban prostitution, the making and selling of pornographic materials, abducting and selling women and children, gambling, the use of feudal and superstitious beliefs to swindle money and harm people, and any other evil phenomena which erode social habits. The work in banning smuggling and use of drugs in the province is a complicated duty, and we should prepare for fighting a long battle, and continue to strengthen crackdown on drugs; we must be able to ban every bit of drug when it emerges, punish every drug smuggler, rehabilitate every addict, and pursue the responsibility of everyone involved in planting drugs. We will extensively mobilize the masses to resist the danger of drugs. Through hard struggle, we will be able to effectively control the spread of drug smuggling and addiction, and incrementally reduce the danger of drugs until it is removed. We will diligently wipe out destabilizing factors, resolutely safeguard the stable and united political situation, and protect the peace along the border and in the society.

**4. We will strengthen clean government building, and correct the unhealthy trend.** Government workers of various levels and all public service personnel should firmly establish the thought of serving the people heart and soul; they should have close ties with the masses, be clean and uncorrupt, cherish plain living and hard work, play an exemplary role, and diligently work for the people. We will extensively launch anticorruption struggle, and resolutely handle a small number of those who abuse power for private ends, give and take bribes, and degrade and corrupt. We will vigorously rectify and resolutely correct the unhealthy trend in trades and departments, carry out professional ethics education for the broad masses of staff and workers and establish and perfect various regulations and systems to form a strong mechanism restraining public service personnel. We will further tackle the "three wanton charges," and resolutely ban wanton fees, wanton fines, and wanton appropriations to reduce unnecessary burdens for enterprises and people. We will develop our excellent tradition of plain living, hard work, and frugality, and oppose the use of public money to hold banquets, send gifts, and tour. We will give full play to the supervisory role by the departments responsible for industrial and commercial administration, finance, taxation, price, public security, customs, audit, and supervision; we will encourage and support democratic parties, public opinion organizations, and the masses of people to carry out social supervision, to resolutely struggle against various kinds of violations of law and discipline. Through persistent efforts, we will enable our province to score marked results in building clean government and correcting the unhealthy trend in trades. We will abandon formalism and bureaucratism; further improve our work methods

and work style of leaders; earnestly cut the number of meetings, the number of documents, and unnecessary parties for leading comrades; and vigorously emphasize reality, research, investigation, and solid work for the grass-roots level and the masses. We must correctly understand and handle the new conditions and problems arising from the reform, and resolutely support and protect the reform.

**5. Strengthen grand unity of various nationalities.** Yunnan is a province with many nationalities. Since the liberation, various nationalities have assisted each other on equal basis, cooperated hand in hand, and strived for common development; however, for various reasons, at present, the economies and cultures in the areas inhabited by minority nationalities are still rather backward. In order to foster common prosperity for various nationalities, in the 1990s, we will further support the poor areas inhabited by minority nationalities to develop economies and cultures; expedite the training of cadres of minority nationalities; unswervingly enforce the "Autonomous Law for Regions of Minority Nationalities," and fully protect the autonomous rights in the autonomous areas inhabited by minority nationalities, whose equal rights we protect; respect the customs and habits of minority nationalities; and seriously implement the policy of freedom of religious belief. We will continue to strengthen education on nationality unity, prevent and overcome big-nationality chauvinism and local nationalism, oppose nationality separation, and safeguard the country's unification.

We will strengthen unity among the Army, the government, and the people, and this has great significance to protecting, stabilizing, and building the border. We should support and care about the revolutionized, modernized, and regularized construction of the Chinese People's Liberation Army, and continue to strengthen the building of our province's Armed Police, public security police, and political and law contingent, and help them as much as we can to solve their actual difficulties. We will vigorously carry out national defense education, and enhance the sense of national defense for the whole people. We will earnestly strengthen the work in militia and reserves, and make a key effort to grasp the "three implementations" of militia work. We will extensively launch the activities of supporting the Army and giving preferential treatment to their dependents, of "double support cities," and of "double support counties" to protect and build the southwestern border of the motherland.

**Fellow deputies:** Last year was the first year for implementing the Eighth Five-Year Plan, and a year for continued deepening of reform and rectification. Because of the common struggle by the people in the whole province and their hard efforts, the province experienced political stability, economic development, and nationality unity, and the conditions of various domains continued to develop in the good direction. According to statistics, the GNP for the whole year was 44 billion yuan, up 6.5 percent from the previous year;

national income, 39 billion yuan, up 6.9 percent; and total industrial and agricultural output value, 62.9 billion yuan, up 7.3 percent. The whole national economy maintained a stable, sustained, and coordinated development. But the economy also had some difficulties and problems; output of cigarettes was restricted, edible sugar was not readily salable, enterprises had low returns, and circulation was not smooth, restraining the economic development to certain extent. The key to solving these problems is to put the key point of work and main energy to structural adjustment and improvement of returns, to foster a good cycle of the national economy and appropriate growth. This year is the second year into the Eighth Five-Year Plan, and in this new year, responding to the demand of the central authorities, we will put strengthening of agriculture and improvement of large and medium enterprises in a prominent position, and strive for results. Regarding improvement of economic structure and returns, we will firmly grasp the superior enterprises which have already taken shape, and give full play to their function; diligently develop processing industry, and expedite the development of tertiary industry and township and town enterprises; seriously carry out technological transformation, actively adjust product mix and the organizational

structure of enterprises, and push enterprises to domestic and overseas markets; continue to launch the campaign for the "Year of Quality, Variety, and Efficiency," and seriously inspect and ban counterfeit and poor goods; and further expand opening up to the outside world, and promote social and economic development and advancement. The provincial government will entrust the provincial planning commission with the duty of preparing the report on the implementation of the plan for national economic and social development in 1991, and the plan for national economic and social development in 1992; it will seriously do well various tasks after the provincial people's congress has examined and passed the plan; it will diligently fulfill and overfulfill various duties and targets.

Fellow deputies, the 10-Year Program and Eighth Five-Year Plan for National Economic and Social Development in Yunnan Province has shown us an encouraging great blueprint. Let us closely unite with the CPC Central Committee with Comrade Jiang Zemin as the core, and be led by Yunnan CPC Committee, invigorate spirit, pool wisdom and efforts, work solidly, advance courageously, and struggle hard for attaining our province's second-step strategic goal.

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